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 II, 1957-58

COMPRISING THE PERIOD FROM THE THIRTEENTH DAY OF NOVEMBER, 1957, TO THE NINTH DAY OF DECEMBER, 1957, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

HOUSE OF COMMONS

Wednesday, November 13, 1957

The house met at 2.30 p.m.

NATIONAL DEFENCE

U.S.-CANADA—STATEMENT ON DEFENCE CO-OPERATION

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, a few days ago the hon. member for Algoma East (Mr. Pearson) asked for a statement in connection with the subject of defence co-operation between Canada and the United States, and I propose on this occasion to make such a statement. I do not think the present is the occasion for a more lengthy statement than I am about to give, but the opportunity will come later on during the estimates to discuss this question at length. I am prepared, however, to sketch in general terms the basic framework of our defence co-operation with the United States.

As the house is aware, the machinery of defence co-operation between Canada and the United States had its origin in what is known as the Ogdensburg declaration of August, 1940, by the president of the United States and the then prime minister of Canada, Mr. Mackenzie King, foreshadowing the development of the closest defence collaboration between the United States and Canada. Arrangements arising out of this declaration were effective during the last war in the political, military and supply fields.

In November, 1945, the United States government forwarded a request to the Canadian government urging that the collaboration in defence which had been so effective during the days of war should be maintained; that Canada and the United States should agree to the continuance of the permanent joint board on defence which had been established in August, 1940, and set up military arrangements to ensure the continuance of close co-operation of the defence forces of both countries in the defence of Canada and the United States. It was agreed that the permanent joint board on defence would be continued and a military co-operation committee would be set up, directly responsible to the chiefs of staff in each country, to discuss and process joint measures for the defence of Canada and the United States.

Following negotiations in the permanent joint board of defence, there emerged a joint statement of principles approved by the two governments laying down in broad terms the conditions governing the continuing partnership in defence of the two countries. These conditions and principles were announced in the House of Commons on February 12, 1957. Defence co-operation and collaboration between Canada and the United States has therefore continued without a break and with continuing impetus since 1940.

When Canada and the United States signed the North Atlantic treaty, the arrangements and procedures for defence collaboration were continued under the Canada-United States regional planning group as one of the regional groupings of NATO.

I would emphasize that the only restrictions which exist in defence collaboration are those imposed by law and not by desire. This limitation is only in the field of thermonuclear weapons, and is mainly concerned with the composition, construction and manufacturing techniques of nuclear weapons. The house will realize that the manufacture of nuclear weapons is not an urgent defence requirement for Canada. On June 15, 1955, by means of an exchange of notes, agreement was reached between the government of Canada and the government of the United States for co-operation in the atomic field for mutual defence purposes. At that time agreement was reached that each government would make available to the other government atomic information deemed necessary to:

(a) the development of defence plans;

(b) the training of personnel in the employment of defence against atomic weapons; and

(c) the evaluation of the capabilities of potential enemies in the employment of atomic weapons.

The finalizing of this agreement in this very important field was followed by the participation of Canadian military personnel in United States exercises involving thermonuclear explosions, so Canadian troops could be trained in the procedures for decontamination of personnel and vehicles and the detection of radiation resulting from these kinds of explosions. In short, there exists today the fullest co-operation in all aspects of military operations in areas where atomic weapons may be used.

In President Eisenhower's statement of November 7, to which the hon. member for

Algoma East made reference, the President made particular reference to Canada-United States partnership in the construction of our continental defence system. Collaboration in air defence was undertaken soon after the close of the last war, and a joint effort was made to develop a comprehensive air defence system for the common defence of North America. This system, concerning which the house has been fully informed, comprises an aircraft control and warning radar installation in the southern part of Canada, known as the "Pinetree" system, which was jointly built and is jointly operated by Canada and the United States. This was followed by the joint arrangement for the construction of the mid-Canada line and the distant early warning line, and a common communications system. For administrative convenience these projects were constructed separately by each government, but they are operated along with the "Pinetree" chain as a complete early warning and interceptor system. In order to work out these intricate air defence problems of an operational and scientific nature, a joint Canadian-United States military study group consisting of service officers and scientists was set up.

One result of studies conducted by this group was a recommendation made to the chiefs of staff of both countries in December, 1956, for the establishment of a joint headquarters to provide for the operational control of the air defence of Canada and the United States. These recommendations of the joint study group were approved by the chiefs of staff of both countries and the United States Secretary of Defence approved these measures early in April.

This bilateral arrangement within the Canada-United States regional planning group of NATO is a further step in achieving the agreed NATO objectives for the Canada-United States regional planning group, which are as follows:

(a) to provide an effective base for and effective protection of the strategic nuclear counter-offensive capability;

(b) maintenance of an effective early warning and air defensive system.

This arrangement within the Canada-United States regional planning group was reported by both countries to the NATO council before it was made public.

It is realized that this comprehensive air defence system is a defence against the manned bomber, and it was recognized some time ago that steps should be taken to provide for defence against the further threat of the intercontinental ballistic missile. As early as July, 1956, negotiations were commenced for joint collaboration in the study of methods and procedures for dealing with defence against the ICBM. The defence research board, in collaboration with the United States air force, has undertaken a substantial research program which will aid in solving the problems of producing a warning system and defence against the ICBM. Research studies, including field and laboratory studies, of the factors which will make feasible the radar detection of an ICBM warhead and the interception of this warhead by a destructive missile are now being thoroughly and jointly investigated.

The radar to be installed in Saskatchewan is part of this activity. It is worthy of note that this radar has been loaned by the United States to be operated by the research workers of the defence research board as part of our contribution to the research against this new and serious threat. It is our intention to follow up very closely this joint development and to give this project of creating a defence against the ballistic missile high priority in our defence program.

Other joint efforts of considerable significance are the projects for the development of defensive measures against the missile-carrying submarine, including new long-range submarine detection techniques and improved methods of destroying submarines. These measures are being developed by the two navies, in an effort to combat the threat of missile attacks against North American ports and installations.

There is consultation and co-operation on defence on all levels. Officers of all services are integrated into the major schools and training establishments of all services in the United States. The cold weather testing of United States and Canadian weapons, including missiles, is carried out at the Canadian test station at Churchill, Manitoba. While co-operation in these fields is indeed very extensive, there are other areas where more joint work can be done, and we intend to fully explore further co-operation and consultation in these important fields of defence and particularly research and development.

I think that generally summarizes the situation, Mr. Speaker. The Minister of National Defence will deal more fully with the question of collaboration with the United States, as I said at the beginning, when the estimates are before the house.

Hon. L. B. Pearson (Algoma East): Mr. Speaker, I realize, of course, that this is not the occasion on which to discuss the statement the Prime Minister has just made. However, I should like to thank him for that review of the situation and to express

the hope that the detailed consideration of the extremely important matter to which he referred will take place before long.

Interesting as his statement has been, Mr. Speaker, it certainly has not answered a great many of the questions in our minds concerning particularly the North American command, or NORAD, as it is called, and the implications of the action that has been taken by the government in regard to continental defence under that command. I refer to military implications and indeed political implications.

We on this side of the house realize that on a question of this kind which is of such great importance to Canada, to the United States and to NATO, we should act with a maximum degree of unanimity. But before we can secure that unanimity, Mr. Speaker, we must have all the available information and particularly the information with regard to the alteration, if there is any alteration, in the responsibility of the Canadian government for the actions of Canadian troops, and also the relationship of this command to NATO.

I notice that reference has been made to that relationship but not, if I may say so, in a form which gives me any clear indication that this command has any direction relationship to NATO whatever, or not in the sense that that relationship was established after debate and discussion in this house, as was done in so far as sending Canadian troops to Europe was concerned. The information we have received up to the present time has been inadequate, so far as I am concerned. After more complete information has been received I hope all the doubts we have will be removed, and that we on this side of the house will be able to support any move for continental defence in the interests of both countries and therefore in the interests of peace.

Mr. Diefenbaker: Mr. Speaker, if I may say a further word, my hon. friend says there was not sufficiently full information placed before the house, and I feel I should answer that immediately so there will be no misunderstanding.

I would like to point out that those who served in the cabinet of the present the right hon. Leader of the Opposition (Mr. St. Laurent) had full information on this matter. Indeed as far back as May 11, 1956, there was an agreement between the chiefs of staff to refer to the joint study group the integration of operational control of the continental air defence of the United States and Canada in peacetime. They supported the principle of a single commander under collective security arrangements which had been well established by the North Atlantic Treaty Organization, with the examples of the supreme allied commander in Europe and the supreme allied commander for the Atlantic having operational control over all assigned forces.

I would also like to point this out in answer to my hon. friend. He may not have had the information, but these things occurred during the time the government of which he was a member was in power. On the 18th day of February, 1957, after full consideration of the matter, the then minister of national defence recommended the establishment of an integrated operational control system for the air defence of Canada, the United States and Alaska under a single commander, with a reminder that the United States should recognize "the need for adequate consultation with the Canadian authorities on matters which might lead to the alerting of the air defence system". He spoke for the cabinet on that occasion.

On February 28, 1957, the minister asked that the deputy commander should be a Canadian, and he stated at that time that he anticipated government approval would be given to the arrangement, which "we" brought into effect, on the 15th day of March, 1957.

However, on that date the matter was withdrawn and on March 24, on instructions from the then minister of national defence, officers proceeded to Washington to advise the United States chiefs of staff that there was no disagreement on the part of the then government regarding the plan but that it would not be possible to give formal approval, for it was intimated that the matter might become a political issue and it was not considered advisable to have the formal approval until such time as it was not a political issue. So on the 26th day of April the then minister of national defence cleared a dispatch to the United States pointing out that a decision, while there was no probability of any change, could not be expected until June 15.

I thought my hon. friend must have forgotten those facts—

Some hon. Members: Oh, no.

Mr. Diefenbaker: —because they deal comprehensively with the arrangements which were entered into.

Mr. Pearson: Mr. Speaker, perhaps in view of the importance of this matter and in view of the facts or the details put on the record by the Prime Minister in the statement he has just now made, I might be permitted to add a word.

I think if the Prime Minister will do a little more research into the proceedings of the cabinet defence committee and the cabinet

he will discover that while all these matters about which he has spoken were considered and, I think, approved by the officers of the Department of National Defence and perhaps, though I have not all the details, by the minister of national defence, that is not the same as to say that they were approved or even considered by either the cabinet defence committee or even by the cabinet. If the Prime Minister will look up the records of the cabinet he will find out, I think, that this particular matter which was approved so quickly after the election by the government of the right hon. gentleman was not considered in any way, shape or form by the cabinet defence committee or by the cabinet, and no decision can therefore have been taken with regard to it.

INQUIRY AS TO REDUCTION IN EXPENDITURES

On the orders of the day:

Mr. H. R. Argue (Assiniboia): My question is directed to the Prime Minister. Has the attention of the Prime Minister been drawn to the reported statement of Lieutenant General Simonds that if the $300 million wasted on that dead duck the CF-105 had been used to stockpile Canadian wheat in Europe it would have been spent to much greater advantage? Has the Prime Minister considered a substantial reduction in current military expenditures, and would he consider using any moneys thus saved to stockpile wheat in Europe, or otherwise to give economic assistance to the free nations?

Right Hon. J. G. Diefenbaker (Prime Minister): I have not seen the report of the speech by Lieutenant General Simonds or the opinions allegedly expressed by him. After all, it is a matter of opinion. If he did express what has been stated by my hon. friend it is a matter that would have to be considered in all its implications before any answer could be given to it.

Mr. Argue: I wonder whether the Prime Minister might answer that part of my question which asked if a reduction in current military expenditures had been considered, and whether such a reduction would be used for economic assistance by way of wheat stockpiling or otherwise.

Mr. Speaker: Order. I think hon. members will agree that if they receive an answer to their question, whether or not it is a satisfactory answer, they should not attempt to improve the situation by asking the question again; because there is no right on the part of hon. members to insist upon an answer.

Mr. Argue: Mr. Speaker, I would point out to you that I was merely repeating my question to the minister, which I submit he had not answered. If he considers it answered, that is perfectly all right by me.

Mr. Speaker: I understood that it is part of the question that the hon. member is repeating. I was suggesting that this is not a regular procedure, and I ask the hon. member not to push the matter further.

UNITED NATIONS

FAO—STATEMENT BY U. S. REPRESENTATIVE ON WHEAT DISPOSAL POLICY

On the orders of the day:

Right Hon. J. G. Gardiner (Melville): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce or the Minister of Agriculture. Has the government any report or comment to make on the announcement reported to have been made at FAO by Mr. Charles Hoeven, representing the United States, that it is their intention to increase expenditures in their policy of making food products, including wheat, easily available to nations throughout the world?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I have not seen the announcement to which the hon. member has referred. I do not know what is in it, and therefore I am not really in a position to comment on it.

However, perhaps I should say this. I was present last Thursday in Rome when the United States Secretary for Agriculture, Mr. Ezra Benson, made a speech of about three-quarters of an hour to an hour in length in regard to American ideas concerning surplus disposal. I may say that the whole tenor of his speech was that in his opinion and in the opinion of his government the Americans had done a great humanitarian work in providing food for hungry peoples throughout the world, and he was assuring the meeting that his country would continue to do this. He did not go into the matter of surplus disposal as far as other countries were concerned. The whole tenor of his speech was in regard to his government's intention to continue to make food available where there were people suffering from hunger.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, the Minister of Agriculture has described the American disposal of surplus food as a great humanitarian effort. Is there any indication that the government of Canada will follow this humanitarian example?

Mr. Harkness: I did not describe it as that; I said Mr. Benson had described it as that. Of course I would agree that there has been a very large element of humanitarianism in the policy followed by the United States with regard to supplying surplus food to meet the needs of countries in southeast Asia.

GRAIN

WHEAT—INQUIRY AS TO ADDITIONAL QUANTITIES TO INDIA

Mr. H. R. Argue (Assiniboia): I have a supplementary question for the Minister of Agriculture or the Minister of Trade and Commerce. Is Canada at this time doing anything to provide additional quantities of wheat for India, in the light of the reported discussions now going on between the United States and India with the object of making additional quantities of wheat available under public law 480?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, any arrangements that may be made with India in the future will be duly announced here in the house. We are aware of their difficulties with regard to food supplies, and we are quite prepared at any time to discuss the problem with our fellow members of the commonwealth from India.

Mr. Argue: Well, Mr. Speaker, my question was this. Are any negotiations being entered into with India at the present time or have any negotiations been entered into with India to provide additional quantities of wheat for that country, or does this government do nothing but protest to the United States?

Mr. Churchill: Mr. Speaker, my hon. friend seems to want to make a speech on the subject.

An hon. Member: You make one.

Mr. Churchill: I will be very happy to make a speech if you want to listen to me.

Mr. Pickersgill: Listen to him.

Mr. Gauthier (Portneuf): Make a remarkable one.

Mr. Lesage: A first class one.

Mr. Churchill: We have had conversations with the representatives of India with regard to the supply of wheat to that country.

Mr. Argue: With regard to the supply of additional quantities of wheat?

Mr. Churchill: Yes, with regard to the supply of additional quantities of wheat.

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. Is he yet prepared to give an answer to the question I directed to him a week ago and the supplementary questions the next day, with regard to the price at which wheat is sold to millers on the prairies?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I have ready a long answer to what was a rather long question. If it could be accepted as an order for return I should be glad to have it printed in *Hansard.*

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*For answer referred to above, see appendix "A", pages 1098-99.*]

FINANCE

BANK OF CANADA—DIFFERENCE OF OPINION WITH GOVERNMENT

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, I wish to direct a question to the Minister of Finance. Actually it is a repetition of a question he was asked last Monday in Oakville, which he refused to answer on the ground that he could not answer it outside the House of Commons. Since he is now inside the House of Commons I should like to ask him, has there been a clash of opinions between the Bank of Canada and the government on economic policy?

Hon. Donald M. Fleming (Minister of Finance): I am not aware of anything that could be called a clash.

Mr. Sinclair: A supplementary question. Does that mean the Minister of Finance is now in accord with the policy of the Bank of Canada, which he called an unhappy legacy earlier this session?

Mr. Fleming: The expression "unhappy legacy" does not apply only to what the hon. gentleman has just mentioned. There are a good many things in the unhappy legacy to which that expression ought to apply. When the time comes to deal with any questions of policy in the house I can assure the hon. gentleman that they will be dealt with fully.

[*Later:*]

Mr. F. C. Christian (Okanagan Boundary): Mr. Speaker, I would like to ask a question supplementary to the one asked by the hon. member for Coast-Capilano. Would the Minister of Finance reveal to the house the nature, scope and result of his recent discussions with Mr. J. A. Coyne, governor of the Bank of Canada?

Mr. Sinclair: Now you can make a speech.

Mr. Speaker: Order. I am quite sure the minister is fully capable of answering that question—

Some hon. Members: Oh, oh.

Mr. Chevrier: That is doubtful.

Mr. Speaker: —but I doubt if the house would be patient to listen to him during the period of time it would take. I really must suggest to the hon. member for Okanagan Boundary that this is scarcely the type of question he could expect to have answered on orders of the day.

Mr. Hansell: Mr. Speaker—

Mr. Speaker: Is this a supplementary question?

Mr. E. G. Hansell (Macleod): Yes. While you have ruled, Mr. Speaker, that the question asked by the hon. member for Okanagan Boundary is not one that can be answered on the orders of the day, may I ask the finance minister when the house can definitely expect him to make a statement with respect to the results of his conference yesterday with the officials of the Bank of Canada?

Mr. Fleming: Mr. Speaker, I can assure my hon. friend that, when the government is in a position to announce policy or to make any announcement that will justify occupying the time of the house, that will be done. I can also assure my hon. friend that, so far as yesterday's meeting is concerned, it was not the only meeting of its kind that has ever been held. The Bank of Canada is an adviser to the Minister of Finance and meetings are held from time to time, with varying frequency, with the senior officials of the Bank of Canada and senior officials of the Department of Finance. The meeting that was held yesterday was one that had been arranged a few days in advance. It was not the first meeting of that kind that has been held in recent times, nor is it the last of its kind that will be held.

Mr. Hansell: In other words, we are not going to be told.

Mr. Fleming: Mr. Speaker, I am quite sure that my hon. friend has been in the house long enough to know that it is highly improper for any responsible minister to disclose publicly communications that pass between him and the advisers in his department.

Mr. Martin (Essex East): That is not the position you used to take.

Mr. Fleming: In this respect, Mr. Speaker, advice received by the Minister of Finance and communications passing in that relationship between him and the senior officials of the Bank of Canada are clearly within that well recognized and time-honoured rule.

[Mr. Sinclair.]

REPORTED STATEMENT BY MINISTER AT OAKVILLE, ONT.

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I would like to direct a question to the Minister of Finance. Has his attention been called to the report of his speech to the Oakville-Trafalgar chamber of commerce appearing in yesterday's *Journal* and, if so, is he correctly quoted when this report carries within quotation marks these words:

"—the danger of inflation has been checked and the rise in the cost of living is now levelling out".

If the minister has been correctly quoted, can he inform the house as to the source of this reassuring information, in view of the fact that the latest figures produced by the dominion bureau of statistics indicate that in October the consumer price index reached a new all-time high of 123.4?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I am sure the house has listened with much interest to the speech of my hon. friend. He smuggled into his question things that he thought would be taken as statements of fact; but if he is going to put it on that basis I must take issue with what he puts forward in certain respects as statements of fact.

An hon. Member: He was quoting you.

Mr. Fleming: So that the house may have a balanced impression of what I said at Oakville I would very much like to have the opportunity of reading a couple of paragraphs in which I dealt with the subject.

Some hon. Members: Order.

Mr. Marler: Table it.

Mr. Pearson: We do not want a speech, we want an answer.

Mr. Fleming: I had a text on the occasion in question, and the statement read by the hon. member for Nanaimo was not complete.

Mr. Martin (Essex East): How about answering the question?

Mr. Fleming: I will. I was asked if I was correctly reported, Mr. Speaker, and this is what would have been a complete report of what I said in this respect:

It is the duty of the Minister of Finance to keep the economic state of this nation under constant examination. Without any hesitation I say to you that the Canadian economy is undeniably strong. There are sectors in which its advance is not as swift as at other periods and, like the United States, we entered some months ago upon a more level plateau of economic activity.

Mr. Sinclair: After June 10.

Mr. Fleming: No, we entered upon it before June 10.

Some hon. Members: Go on with the speech.

Mr. Fleming: We have improved a great deal since June 10 in many respects. To continue:

We always face a problem of seasonal unemployment in the winter months.

Mr. Sinclair: Double that of last year.

Mr. Fleming:

But Canadians can continue to enjoy full confidence in their future. No nation in all the world offers its people the same long-term bright prospects as Canada.

Mr. Stuart (Charlotte): Is that what you inherited?

Mr. Fleming: No, that is what we have improved upon a great deal since June 10.

Some hon. Members: Oh, oh.

Mr. Fleming: We took an unhappy heritage and improved upon it.

Mr. Speaker: Order. I suggest that the minister confine himself to the reading of the paragraph, and that the house confine itself to listening.

Mr. Gauthier (Portneuf): We want an answer.

Some hon. Members: Answer.

Mr. Fleming: I continue, Mr. Speaker:

Our gross national product will establish a record this year. The numbers of our employed are higher than they have been at this season of the year in all our history. The total volume of our trade is at record heights. The rise in the cost of living, which has continued for a considerable time, now is levelling out. The Minister of Trade and Commerce has expressed optimism over the outlook for Canadian wheat sales. The market for Canadian government bonds has shown a notable increase in strength in recent weeks. Interest rates on Canadian treasury bills have dropped three-tenths of one per cent in the last two months —a remarkable trend when it is recalled that since mid-July the rate paid by the United States treasury on its treasury bills has risen by one-half of one per cent. On October 1 the Canadian government floated a new bond issue of $700 million. The issue was oversubscribed and the books were closed on the issue one-half hour after they were opened.

The danger of inflation has been checked. As its contribution to this end the government has been warring against waste, extravagance and inefficiency. At a time when more capital is needed to sustain the development of our resources and maintain the momentum of the Canadian economy I shall continue to urge the Canadian people to do their full part in the creation of capital in the only way in which capital can be created, namely, out of their savings.

I shall be glad indeed to continue this, Mr. Speaker, or to send my hon. friend a copy of it. He asked specifically about the matter of the cost of living. The cost of living in Canada has been rising for a very considerable time, and my hon. friend will have observed a reference in my statement to the fact that the rise has levelled out. He will have observed the fact that in the month of October the rise was only one-tenth of one per cent. I am speaking from memory now but I think the rise in the consumer price index was from 123.3 to 123.4. Having regard to the upward trend in the cost of living which has now continued for a very considerable period, that is, I assure my hon. friend, ample evidence in my opinion to warrant the statement I made that the rise in the cost of living has now levelled out. I am not the only one who entertains that opinion.

STATEMENT ON REQUEST FOR CONSIDERATION OF CHANGES IN TEXTILE ITEMS

On the orders of the day:

Hon. Donald M. Fleming (Minister of Finance): On Monday, November 11, the hon. member for Stormont (Mr. Lavigne) addressed this question to my colleague 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?

Mr. Speaker, I did state to the house some time ago that all the items in the Customs Tariff respecting textiles were referred by me some weeks ago to the tariff board for study and report. The tariff board begins its hearings next Monday, November 18, and I can assure the hon. member that I have taken due note of his request that the government increase the tariff.

INQUIRY AS TO TARIFF BOARD STUDY ON FLUORSPAR

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): May I ask a supplementary question, Mr. Speaker. May I ask whether the board has yet begun a study with respect to fluorspar?

Hon. Donald M. Fleming (Minister of Finance): The tariff board has not yet begun that inquiry. The inquiry on the textiles items will be quite extensive and prolonged.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I ask a supplementary question, which I think might be helpful to the Minister of Finance.

Mr. Sinclair: He needs help.

Mr. McIlraith: He is beyond help.

Inquiries of the Ministry

Mr. Knowles (Winnipeg North Centre): When does he intend to present the budget or budgetary proposals to which he made reference at a press conference toward the end of July? He indicated that there would be a budget or budgetary proposals at this session of parliament and that would give him an opportunity to deal with the question of the relationship between the government and the Bank of Canada.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, whatever is put before the house in that regard on behalf of the government will be done in due course, and the house, in accordance with the usual practice of ministers of finance as I have observed it in the past 12 years, will be notified in due course.

Mr. Knowles (Winnipeg North Centre): May I ask the minister, will there be a budget at this session?

Mr. Fleming: Mr. Speaker, I tell my hon. friend what I told him on a previous occasion, that whatever is required in order to place properly before the house any recommendations or proposals of the government in this regard will be done in accordance with the practice of the house.

Mr. Sinclair: Straight evasion.

HIGHWAYS

STEWART-CASSIAR, B.C.—SURVEY AS TO SOUTHERN TERMINUS

On the orders of the day:

Mr. Frank Howard (Skeena): I have a question I should like to ask the Minister of Northern Affairs and National Resources. Is it true that the survey made by the Department of Public Works into the Cassiar-Stewart road indicates that it is less costly to make the southern terminus of the road at Alice Arm than to make the southern terminus at Stewart and, if so, what is the difference in estimated cost?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker—

Mr. Speaker: I doubt if that is the kind of question that should be asked without notice. Has notice been given?

Mr. Hamilton (Qu'Appelle): I hould like to thank th hon. memer for Skeena for giving me notice of this question. The survey made by the Department of Public Works as simply a preliminary reconnaissance survey, and any findings of that survey must be considered as tentative indications only and subject to confirmation or correction by detailed surveys that have not yet been made.

The preliminary reconnaissance survey referred to indicated that the use of Alice Arm as a southern terminus for the route might result in a saving of something in the region of $3 million in the construction of the road itself. It also indicated that a southern terminus at Nass bay might be considered.

However, any savings in road construction costs could easily be counterbalanced by greater port construction costs or by engineering problems that could render development of good port facilities impractical. The final estimates of road costs and of harbour costs cannot be made until much more detailed surveys and studies are carried out on all phases of the project.

THE CANADIAN ECONOMY

GORDON COMMISSION—REQUEST FOR TABLING OF STUDIES

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to ask the Minister of Finance if he would table the studies published by the royal commission on Canada's economic prospects. I think I should point out to the house that the preliminary report was tabled on January 10 of this year and the final report is in the course of preparation. Some 15 or 16 of the studies referred to in the preliminary report have now been printed, and I should like to ask that they be tabled.

Hon. Donald M. Fleming (Minister of Finance): My hon. friend was good enough to speak to me on this subject some days ago following his asking of a similar question in the house with respect to one particular study that had been made under the auspices of the royal commission to which he has referred. I made inquiries as to what had been the practice in times past with reference to the tabling in the house of studies made on behalf of royal commissions, and I was informed that it has not been the practice in times past to table such studies.

The only occasion I personally recall when copies of the studies were made available for distribution to hon. members was when a volume was prepared gathering together the various studies that had been made on behalf of the Massey royal commission on the arts, letters and sciences. That volume was made available to all members and distributed, I think, through the distribution office.

Apart from that case I have been informed that it has not been the practice for

royal commissions to have copies of their studies printed and distributed through the distribution office. I can assure my hon. friend there is no unwillingness on my part, or on the part of the government, that these studies should be made available, because I am sure they are extremely useful studies. They are not all completed as yet, and they are not all—

Mr. McIlraith: I believe 16 of them are.

Mr. Fleming: They are not available as yet in printed form, in a volume, so they could be made available for distribution amongst hon. members. If there are sufficient copies available in the hands of the royal commission for distribution I will certainly be glad to make inquiries and see if copies can be made available to such hon. members as wish them. I have had no indication that it is the intention of the royal commission to have these studies put into a volume for distribution, as was the case with the Massey royal commission.

Mr. McIlraith: I wonder if, in view of the somewhat lengthy answer, I might be permitted a supplementary question. With reference to the practice, I may say the only case I could find was that of the Rowell-Sirois commission report, when the 32 appendices were tabled with the report. That was in 1940. I did not ask that these studies be distributed, but that they be tabled in the house to become part of the records of parliament. They are readily available. The printing bureau has circulated a price list of them, and has been circularizing the country at large. This is within the knowledge of the Minister of Finance.

My question was whether he would table the studies, not whether he would distribute them.

Mr. Fleming: So far as tabling them is concerned, I shall be happy indeed to table copies. So far as distribution is concerned, I shall undertake to look into the matter to see if copies are available for such members as may be interested in having them.

CRIMINAL LAW

INQUIRY AS TO REPORT OF ROYAL COMMISSION ON INSANITY AS A DEFENCE

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Would the Minister of Justice table the report of the royal commission on the law of insanity as a defence in criminal cases? I understand this report was completed some weeks ago and is available now.

Hon. E. D. Fulton (Minister of Justice): I am glad to inform my hon. friend that steps are in hand now to arrange the tabling of this document.

LABOUR CONDITIONS

UNEMPLOYMENT—EFFORTS TO OVERCOME PSYCHOLOGICAL EFFECT OF GOVERNMENT PUBLICITY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Minister of Labour. I apologize for not giving him notice, but I found that impossible because I have only just thought of it. In view of the fact that the report today from the bureau of statistics shows that unemployment in September of this year was 90 per cent greater than unemployment for the same month last year, will the minister consider stepping up the activities of his department in order to overcome the psychological effect of this government publicity on unemployment?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, when I took over the portfolio of Minister of Labour in June of this year I found that the unemployment situation in Canada was not too good. I immediately took certain steps, in conjunction with the government, and in the intervening months we have found unemployment dropping quite a bit from the date when we took over.

Mr. Sinclair: It always does.

Mr. Starr: It is rather unfair to compare this year with last year.

Mr. Sinclair: Why?

Mr. Starr: Perhaps the hon. member would compare it with 1954 and 1955. I think he would find a different picture. I want to assure the hon. member that the labour department is doing everything to keep in close touch with the situation, and doing everything possible to alleviate it.

Mr. Herridge: I should like to inform the minister that I was exercising the same comparison as the government publication in question.

HEALTH AND WELFARE

AIR AND WATER POLLUTION—STATEMENT AS TO FEDERAL ACTION WITH RESPECT TO SHIPS

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Yesterday when I was answering a question concerning action being taken in

regard to air pollution by ships, the hon. member for Laurier asked a supplementary question as to whether the international joint commission was considering water pollution in the great lakes area. I answered that it was my understanding the international joint commission was concerned with this matter. I am advised that the international joint commission has studied the pollution of boundary waters, and has issued a comprehensive report on the matter. The report deals, of course, with pollution of water from land sources as well as from ships.

I might also mention that in 1956 an amendment to the Canada Shipping Act was passed to provide for approval by Canada of the international convention for the prevention of pollution of the sea by oil. This convention comes into force on July 26, 1958, and provides measures for curbing pollution of the high seas by oil from ships. The same amendment to the shipping act also empowered the governor in council to make regulations for preventing pollution of our domestic waters by oil from ships.

As a first step toward enforcement of the pollution convention and our own domestic anti-pollution regulations, the Department of Transport has appointed a marine inspector at the port of Montreal and is proceeding with the designation of various provincial, municipal and harbour police officers throughout our ports as inspectors for this purpose. Their efforts will be co-ordinated by the marine inspector at Montreal.

SHIPPING

ST. LAWRENCE SEAWAY—STATEMENT ON EQUIPMENT TO KEEP CHANNELS OPEN IN WINTER

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Yesterday, Mr. Speaker, the hon. member for Kingston referred in a question to experiments being carried out in Sweden to free water channels from freezing in winter, and asked if such equipment was being considered in connection with the St. Lawrence seaway.

I indicated in my reply that we would be interested in the results of such experiments. In the meantime I have learned that experiments using this principle, which is that of air movement from the river or harbour bed or at subsurface level by releasing air bubbles to prevent freezing, have been taking place both in Canada and in Europe. Officials of my department have been keeping in touch with the results of these experiments, which are extremely interesting and could lead to useful developments in this field. Further information and further tests are required, and will undoubtedly be carried out by interested groups.

UNEMPLOYMENT INSURANCE

EXTENSION OF PERIOD OF BENEFITS TO UNEMPLOYED

On the orders of the day:

Mr. Wilfrid LaCroix (Quebec-Montmorency): May I direct a question to the Minister of Labour. Is it true that the government has decided to extend the benefit period under the Unemployment Insurance Act to 52 weeks, as promised by the Prime Minister at a Conservative rally on May 4, 1957, at Campbellton?

Hon. Michael Starr (Minister of Labour): No decision has as yet been made by the government pertaining to the question asked by the hon. member.

OLD AGE PENSIONS

INQUIRY AS TO FURTHER INCREASE

On the orders of the day:

Mr. Wilfrid LaCroix (Quebec-Montmorency): May I ask a question of the Minister of National Health and Welfare. Is it true that the government has decided to increase again the old age pension, as a result of the fact that the Liberals have given $46 and the Tories only $9?

CANADIAN NATIONAL STEAMSHIPS

TRANSFER OF VESSELS TO FOREIGN REGISTRY—REQUEST FOR RECONSIDERATION

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 Transport. I saw that he was endeavouring to rise a few moments ago and I tried to reach him before he made that effort. Would the minister reconsider his decision to allow the Canadian National Steamships to transfer its ships to Trinidad registry, an action designed to break the strike of the seafarers' international union, thus throwing 200 more Canadians out of work.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the action of the Canadian National Steamships was in no way an attempt to break any strike. On Monday I outlined very carefully the steps that led to the action that was taken. If the hon.

member will read the answer I gave at that time I think he will receive the information he is seeking.

Mr. Byrne: Mr. Speaker, I have a supplementary question. Will or will not this action throw some 200 Canadians out of work, or will they be rehired?

Mr. Hees: Mr. Speaker, the action taken by Mr. Hal Banks on July 24 threw 226 Canadians out of work.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, may I ask the minister a supplementary question. Would the minister not consider it better to change the registry of Mr. Banks rather than the registry of the ships?

POTATOES

MARITIME PROVINCES—REQUEST FOR PARITY PRICES

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 or is being considered by the government to ensure adequate parity for maritime potato growers based on a fair price-cost relationship?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the question of legislation respecting agricultural prices was referred to in the speech from the throne. At the earliest possible date on which we can do so, that legislation which the government has in mind will be introduced.

PUBLIC BUILDINGS

OTTAWA—STATEMENT ON POSTPONEMENT OF CONSTRUCTION OF NATIONAL DEFENCE HEADQUARTERS

On the orders of the day:

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, yesterday the hon. member for Russell (Mr. Gour) asked a question regarding the construction of a new national defence headquarters.

A brief answer is that there is no provision in the 1957-58 estimates for the commencement of construction of such a building in the present fiscal year. I should not like, however, to give the impression that consideration is not being given to the possibility of erecting such a building or buildings at some future date, but no decision as to the location or the possible date of commencement of construction has yet been reached.

OTTAWA—STATEMENT ON REPORTED POSTPONEMENT OF CONSTRUCTION OF POSTAL HEADQUARTERS

On the orders of the day:

Mr. J. O. Gour (Russell): Mr. Speaker, may I have an answer from the Minister of Public Works to the question I put to him yesterday?

Hon. Howard C. Green (Minister of Public Works): Yes, Mr. Speaker. Yesterday the hon. member for Russell asked whether the project for the construction of a new building for the Post Office Department had been shelved. The answer is that it has not been shelved. On the contrary, plans are under preparation and will be finished some time in the new year. It will then be possible to decide when actual construction can begin.

TELEVISION

NEW BRUNSWICK—STATEMENT ON COVERAGE FOR NORTHERN AREA

On the orders of the day:

Hon. G. C. Nowlan (Minister of National Revenue): Mr. Speaker, on Tuesday, November 5, the hon. member for Gloucester (Mr. Robichaud) asked what action is being taken to provide the 250,000 people of northern New Brunswick and the Gaspe coast with television facilities.

The Canadian Broadcasting Corporation advises me that if an application for a private television station in this area is made —and there are reports to the effect that such an application is being made—and the application is subsequently approved and the station established, the corporation would expect to provide national program service for that station.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask a related question. In view of the enhanced interest I have myself in television, may I ask the minister how soon he expects the microwave system to be extended to St. John's, Newfoundland?

Mr. Nowlan: Mr. Speaker, I am not in a position to speak definitely for St. John's, Newfoundland. After watching the television appearance of the former minister last night I can understand the interest he is taking in the matter. I am sure he will maintain an interest in the television programs of the C.B.C. I can tell him that the microwave system will be continued at least to the mainland by the end of December or very early in January of this coming year, and I would hope that the citizens of Bonavista-Twillingate will have an opportunity of seeing the hon. member on television in the early spring.

Inquiries of the Ministry

LIVESTOCK

REQUEST FOR CLARIFICATION OF STATEMENT BY MINISTER

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. Could the minister clarify his meaning when speaking to the dairy council on September 9, 1957, when in dealing with the curtailment of wheat acreage he said in part:

> The acreage released from wheat growing might be more suitably utilized for fodder crops to support an increased number of livestock.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I am greatly flattered by the attention the hon. member for Moose Mountain has given to my speech delivered in Winnipeg.

Mr. McCullough: I may tell the minister that I have read his speech and that I am still inclined to believe he was advocating an increase in livestock production.

Mr. Churchill: The hon. member, having read my speech, has profited accordingly and is now much better informed about the situation in western Canada.

Mr. Pickersgill: Not much better.

Mr. Churchill: Oh, yes. Two days ago, Mr. Speaker, the hon. member used these words, as reported at page 951 of *Hansard*, and he was speaking to me or about me:

> 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.

I said he did not have his facts correct, nor did he. I made no such suggestion. I made no proposal that that be done. I did not say that this was a way to use up surplus wheat. If I may have your permission, Mr. Speaker, I will read the paragraph which seems to offend the hon. member and his colleagues sitting beside him.

Mr. Coldwell: Read the whole paragraph.

Mr. Churchill: I will not read the whole speech, but there are 39 paragraphs devoted to the wheat problem in western Canada. Paragraph 22 which was elevated by someone who was reporting the speech into a headline about "cattle rather than wheat" or something like that, caused some hon. members, having read only the headlines, to comment accordingly. Here is the paragraph. If this is a proposal—

Some hon. Members: Oh, oh.

Mr. Coldwell: Read the paragraph.

[Mr. Nowlan.]

Mr. Churchill: The paragraph 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—

I draw your attention to that phrase "it may well be".

Some hon. Members: Oh, oh.

Mr. Argue: This is the withdrawal.

Mr. Pickersgill: Just pie in the sky.

Mr. Richardson: Mr. Speaker, I rise on a point of order. I would ask you to remind the Minister of Trade and Commerce of standing order 39. Then perhaps he will answer the question as the hon. member placed it before him.

Mr. Churchill: I have been asked to clarify the situation, and I can only do so by reading the actual words and giving a little explanation—

An hon. Member: No comments.

Mr. Fleming: How about letting him read without interruption?

Mr. Speaker: Well, if the hon. minister will proceed to read the quotation.

Mr. Churchill: At the moment I might direct my hon. friend's attention to—

Mr. Gardiner: No comments; it will not do you any good.

An hon. Member: Read the paragraph.

Mr. Churchill: I will read the paragraph if I have the opportunity of explaining some of these remarks that have been made by hon. members opposite—

Some hon. Members: Oh, no.

Mr. Churchill: I got as far as:

> . . . 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.

Mr. Coldwell: Read the next sentence.

Mr. Churchill: I will read the next sentence. The interprovincial farm union brief presented to us this summer mentions reduced acreage on four occasions. However, I will read first the next sentence:

> If this is done, wheat production—

You see, I did not advocate that it should be done—

Some hon. Members: Oh, oh.

Mr. Churchill: That is not a directive to anybody.

. . . wheat production might be kept to the average figure of 400 million bushels and the acreage released from wheat growing might be more suitably utilized for fodder crops to support an increased number of livestock.

An hon. Member: The headline writers were right.

Mr. Churchill: The report of the Saskatchewan royal commission suggests that in 25 years a 50 per cent increase of meat production will be required.

Mr. H. R. Argue (Assiniboia): May I ask a supplementary question, Mr. Speaker.

Mr. Speaker: Provided it is a question for information and not for comment.

Mr. Argue: Is the minister able to tell the house whether he thinks at this time there should be greater emphasis on the livestock industry, in view of the fact that beef producers in Ontario and eastern Canada are going broke and the hog market has collapsed.

Mr. Churchill: Mr. Speaker, I have never suggested that there should be greater emphasis at this time on the livestock industry; my hon. friend knows that very well.

HARBOURS

CORNWALL, ONT.—INQUIRY AS TO ESTABLISHMENT OF COMMISSION

On the orders of the day:

Mr. A. P. Lavigne (Stormont): Mr. Speaker, may I address a question to the Minister of Transport. Has the minister received any communications from representatives of the city of Cornwall with regard to the establishing of a harbour commission for that city?

Hon. George H. Hees (Minister of Transport): I would like to thank the hon. member for his courtesy in advising me of his intention to ask this question. I have received no representations so far from the city of Cornwall for the establishment of such a commission.

FISHERIES

CHEAKAMUS RIVER, B.C.—MAINTENANCE OF WATER FOR SPAWNING PURPOSES

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I would like to ask a question and it is about fish, not wheat. My question is addressed to the Minister of Fisheries, and I have given him notice.

Has the minister received a joint request from the united fishermen and allied workers' union, the British Columbia federation of fish and game clubs, the native brotherhood of British Columbia and the fishing vessel owners' association that commitments by the British Columbia Electric Company to maintain a sufficient flow of water for spawning purposes on the Cheakamus river be honoured? If so, what action has been taken to comply with this request?

Hon. J. A. MacLean (Minister of Fisheries): I would like to thank the hon. member for Comox-Alberni for having given me notice of his intention to ask this question. The answer to the first part is yes.

With regard to the second part, as to the action which has been taken, I would advise that when I was in British Columbia recently I discussed this problem with the senior officials of the British Columbia Electric Company Limited and impressed them with the fact that the department would expect the company to maintain a sufficient flow of water below the dam for spawning salmon. Following my return to Ottawa this understanding was confirmed through an exchange of correspondence with the president of the British Columbia Electric Company Limited.

LAMPREY EELS—STATEMENT AS TO USE OF POISONS

On the orders of the day:

Hon. J. A. MacLean (Minister of Fisheries): I would like to take this opportunity to reply to a question asked on Friday last by the hon. member for Port Arthur. The hon. member asked whether I had any recent information on the effectiveness of poisons and plans to use them against the lamprey eel in inland waters, especially in lake Superior.

This is a rather involved and long answer, Mr. Speaker, and I understood on Friday you suggested that it should be put on the order paper; so might I ask that it be made an order for return.

Mr. Speaker: The Clerk has informed me that the proper method of dealing with the suggestion of the Minister of Fisheries would be for the house to consent to have the answer printed in *Hansard.* Is that agreed?

Some hon. Members: Agreed.

Mr. W. A. Tucker (Rosthern): I understood, Mr. Speaker, that that was the understanding in regard to the question I asked of the Minister of Trade and Commerce; that the answer would be given in the same way.

Inquiries of the Ministry

Mr. Speaker: That is correct. That is the proper procedure, and I am sure the house will accept it for both answers.

[*For text of answer to above question, see appendix "B", page 1100.*]

DOMINION-PROVINCIAL CONFERENCE

HOSPITAL INSURANCE—OPPORTUNITY FOR DISCUSSION

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Prime Minister if he might clarify today or at some early date the extent to which the provinces will be given the opportunity at the conference between the federal government and the provinces on November 25 next to discuss with the federal government the matter of hospital insurance.

Right Hon. J. G. Diefenbaker (Prime Minister): There is no clarification required, Mr. Speaker. If the representatives of the provinces wish to discuss hospital insurance they will certainly have every opportunity to do so.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the Prime Minister. Will the federal government not take the initiative in discussing the hospital insurance question at the forthcoming conference so that something might be done to implement this legislation at an early date?

Mr. Diefenbaker: Mr. Speaker, there is nothing whatsoever to prevent such implementation. There may be some matters requiring discussion; and if there are, at that conference everybody will be given the fullest opportunity, if the various prime ministers of the provinces so wish, to discuss these matters fully.

HOUSING

N.H.A.—STATEMENT AS TO POLICY AT KITIMAT, B.C.

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): On November 11, Mr. Speaker, the hon. member for Skeena (Mr. Howard) asked me this question:

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?

Central Mortgage and Housing Corporation have contacted the company in Kitimat and have obtained this answer:

The company has not changed its policy of granting second mortgages to employees who wish to build or purchase a house in Kitimat financed with the facilities of the National Housing Act. Second mortgages will be granted to home owner employees for houses financed under the act during 1957.

Aluminum Company of Canada has not yet considered the housing needs of employees in 1958. It has been the custom of the company to determine the project for each year at the close of the preceding year. Consideration is now being given to the 1958 program. At present no change in policy relating to the granting of second mortgages is in contemplation.

[Mr. Tucker.]

BUSINESS OF THE HOUSE

REQUEST THAT DATE BE FIXED FOR EXTERNAL AFFAIRS DEBATE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. In view of the seriousness of the international situation, and in view of his own indication that there should be a discussion of international affairs in this house before long, can he say whether arrangements will be made to have such a discussion early next week?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there is no intention to set aside any day of next week specifically for this purpose. However, there will be an opportunity to discuss this subject on the supply motion which will be moved on Monday. We have several other matters of legislation which we believe require early attention. Then when the new Secretary of State for External Affairs (Mr. Smith) comes into this house the matter will receive attention and a date will be fixed.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, November 12, 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. J. H. Blackmore (Lethbridge): Mr. Speaker, during the time I occupied the floor of the house last evening I drew attention to the manner in which this parliament might find ways and means of obtaining money with which to pay for the benefits to Canadians envisaged in the program outlined by the Prime Minister (Mr. Diefenbaker).

The house, I think, agreed with me and would now agree with me that Canada is fully able to render all those benefits physically possible. There is no doubt that we are able to produce all the goods and services which all Canadians would require in order to enjoy a high standard of living. Our problem, then, is to devise adequate means

of turning Canada's physical possibilities into financial possibilities, to make what is physically possible, financially possible. This task should not be too difficult if we bear in mind that a dollar bill is only a ticket, a ticket to goods and services; that it is only a claim, much as a theatre ticket is a claim to a seat in a theatre. The Hudson's Bay Company made-beaver was a token standing for or representing the skin of an adult male beaver in prime condition. The made-beaver token was worth, or would be a token to or a claim to any goods or services in western Canada in those days to the value of such a beaver skin.

Our word "pecuniary" is derived from the Latin word "pecus" meaning cattle. Presumably, in the far-away days of Latin history, Latin men used for money a token, ticket or tag made of leather and most likely representing or backed by the cow.

The question arises: who is to create the tickets to the goods and services in a community? I took the position that the government of that community ought to have and exercise that power and function. I pointed out that our fathers of confederation placed in the British North America Act provisions giving the parliament of Canada the power to create Canadian dollars. I pointed out also that parliament began to provide for the assumption and exercise of that power when it passed the Dominion Notes Act of 1868 granting the dominion minister of finance the power to create Canada's dollars in accordance with certain conditions. I briefly sketched the historical development of that act through the years down to the passage of the Finance Act of 1914, in virtue of which the minister of finance had the right to create dominion notes backed by any one of several different kinds of securities, including dominion bonds. This was a very definite step forward. I discussed the question of what makes money funny and what makes money sound.

Let me ask the question now: a dominion one dollar note created by Canada's finance minister with twenty-five cents worth of gold behind it, created and lent to one of the chartered banks of Canada—was that dollar note sound, or funny? And why? A one dollar dominion note similarly created and lent to a bank by Canada's finance minister under the Finance Act of 1914 but backed by a Dominion of Canada bond—was that dollar sound, and why?

Or one of the 16 million dollars created under the Finance Act of 1914 by the minister of finance, backed by only railway securities and spent into circulation rather than lent, that is spent for government purposes. Was that sound, or not? Or, finally, was one of the 10 million one dollar dominion notes created by the minister of finance under the Finance Act of 1914 with no backing at all except the credit of Canada, that is Canada's ability to deliver goods and services where, when and as required, the notes being spent into circulation—was that note sound or not?

The answer would be that each of these notes was sound, provided there were enough goods and services in Canadian markets to absorb that note without causing a scarcity of goods accompanied by a rise in price resulting from that scarcity of goods.

Now it is most important, Mr. Speaker, that we should divest ourselves of one of the most erroneous concepts which has grown up during the last few years, namely that inflation is just a rise in price. In actual fact, inflation is a rise in price resulting from a scarcity of goods.

In chapter IV of the royal commission on banking and currency for Canada, Lord Macmillan and Sir Charles Addis, the two commissioners representing certain big interests in the city of London, England—which is a most important thing for Canadians to recognize—made statements and conclusions to justify themselves in criticizing the Finance Acts of 1914 and 1923 as being deficient and inadequate, and for recommending the setting up in Canada of a central bank, the Bank of Canada.

The two main Canadian members of the commission, Sir Thomas White and Mr. Beaudry Leman, strongly and firmly disagreed with the two big interests men from the city of London, England. Sir Thomas White expressed his opinion in a masterfully reasoned and emphatically worded memorandum of dissent from that part of the report which is recorded in paragraphs 141 to 148 inclusive of the report, dealing with bank deposits in Canada under the finance acts of 1914 and 1923, this first of Sir Thomas White's memoranda appearing on page 83 of the report.

Sir Thomas White submitted an even more comprehensive and unanswerable memorandum of dissent as regards the finance acts of 1914 and 1923, setting forth convincing evidence of their unexcelled success in financing the Canadian economy from August 1914 through world war 1, through the reconstruction period and through the depression down to October 3, 1933, the date of the handing in of his memorandum. This memorandum is found at pages 85 to 91 of the report. Mr. Beaudry Leman, the other main Canadian commissioner, also wrote a vigorous memorandum of dissent from certain of the London men's arguments and conclusions in the main report. Mr. Leman's memorandum dated September 27, 1933, appears at pages 95 to 97 of the report.

Who was Sir Thomas White? Sir Thomas White was the Canadian minister of finance during world war I. He was the minister who introduced the Finance Act of 1914. He was the finance minister who administrated the act all throughout world war I as a member of a Conservative government, and then as a member of the Union government he administered the Finance Act of 1914 through the trying reconstruction period. During the course of his lifetime Sir Thomas White served as (1) vice-president of the Bank of Commerce, (2) director of the Canada Life Assurance Company, (3) director of the National Trust Company, and (4) director of the Steel Company of Canada. Such a man ought to be worthy of attention when speaking of matters pertaining to finance. Mentioning, as recorded on page 89 of the report, such financial problems as "refunding our outstanding loans", "the flotation of new issues, whether in Canada or elsewhere", "the sale of treasury bills", "the management of an exchange stabilization fund", "reducing unemployment", and "raising the domestic price level through monetary action"; at page 89 of the report Sir Thomas White follows with these words:

> In the solution of all these problems it is my belief that the existing banking system of Canada supplemented by the provisions of the Finance Act, affords the government a much more efficient instrument than that system controlled and regulated by a newly-created central bank, independent, in theory at least, even of the government of the day.

And who was Beaudry Leman? Mr. Leman held the degrees of B.Sc., C.E., and D.C.Sc. During the course of his life he served as (1) president and managing director of Banque Canadienne Nationale, Montreal, (2) vice-president of General Trust of Canada, (3) vice-president of Credit Foncier Franco-Canadien, and (4) director of (a) Fairchild Aircraft Ltd., (b) Montreal Tramways Company, (c) Ogilvie Flour Mills Company, (d) Provincial Transport Company, (e) Napierville Junction Railway Company, (f) Consolidated Bakeries of Canada Limited, (g) Shawinigan Water and Power Company, (h) Delaware and Hudson Railroad Corporation and (i) Allied War Supplies Corporation. He was 55 years of age at the time of the writing of his memorandum.

Such were the two men whom Canada put upon the royal commission. Such were the two commissioners whose opinions and emphatic protests the two big interests men from the city of London, England, so cavalierly disregarded, perhaps because Mr. Beaudry Leman in his memorandum of dissent set forth six cogent and well-supported reasons against establishing a central bank in Canada. In each of the fourth, fifth and sixth of these reasons he clearly indicates his feeling that the decisive power over Canada's financial system should reside unchallengeably in the hands of the parliament of Canada, much, no doubt, as it did in 1933 when the treasury board consisted of the minister of finance and five other ministers nominated by the governor in council, those ministers at that time being the minister of trade and commerce, the minister of railways and canals, the minister of national revenue, the minister of marine and the minister of justice with the deputy minister of finance serving as secretary. See the report, paragraph 136.

Neither Sir Thomas White nor Mr. Beaudry Leman expressed any doubt about the soundness of the $10 million issue unbacked to be spent into circulation, or the $16 million issue against railway securities to be spent into circulation, or the $50 million issue backed by imperial treasury bills issued to be spent into circulation. These two authorities, therefore, apparently believed that dollars issued by the minister of finance to be spent into circulation, not lent, had their place in the Canadian economy and that such issues when spent scientifically would be sound. This, Mr. Speaker, is exactly the attitude of Social Crediters.

May I just point out to the all-wise gentleman who wrote that editorial in the *Financial Post* of October 26, 1957, against Mr. Low and Mr. Aberhart, the kind of authorities he has backed right into; and if he feels he is in a position to question the opinion of Sir Thomas White and Mr. Beaudry Leman, I can only say he has a great deal more conceit than an ordinary man needs.

If a Social Credit government were in power in Ottawa the minister of finance would open his attack upon the problem of unemployment, the problem of surpluses and the problem of the shortage of purchasing power in the hands of consumers by, first, paying a certain scientifically calculated percentage of the price of goods and services as they enter into consumption thereby paying the sellers for granting the consumer a discount—such discount being called by Social Crediters a "compensated discount"—

Mr. Speaker: Order. I am sorry to have to interrupt the hon. member but his time has expired.

Mr. Blackmore: May I just finish this sentence, Mr. Speaker? And such discount constituting part of the just price mechanism advocated by Social Crediters, the net result of which discount brings down the price of goods rather than allowing them to go up and consequently is diametrically opposed to inflation.

Mr. Habel: A rather long sentence.

Mr. L. R. Crouse (Queens-Lunenburg): Mr. Speaker, now that the opportunity is offered me to take part in this debate, and speaking for the first time in this house, I should like to join with those who have preceded me, if I am not too late, in paying my compliments to you, sir, upon your elevation to the highest office within the gift of the House of Commons. I listened with much interest to the approval given your appointment by the leaders and members of all parties in this chamber and I feel you have already given ample evidence of your willingness and ability to discharge the duties of your high office with dignity and dispatch and to the satisfaction of all hon. members.

I have listened with interest to the hon. members who have participated in this debate, both the new members and the old veterans, and one cannot help but feel he is among orators. I also cannot help but feel that many hon. members have had considerable experience in public speaking due to their training as lawyers or professors and speaking as a businessman—and I am sure every businessman in this house will agree—I would point out that we are not usually famous as orators nor do we rise to such great heights of oratory.

At this point, Mr. Speaker, I would like to congratulate the Minister of Fisheries (Mr. MacLean) upon his appointment. In my opinion this was a very wise choice and is clearly justifiable for we in the Atlantic provinces produce more fish than is produced anywhere else in Canada.

I have the honour to represent the constituency of Queens-Lunenburg. It is a constituency that has long been represented by a member seated on the side of the government in power and I am pleased that this precedent was not broken after the election of June 10. By the way, I would like to thank the hon. member for Bonavista-Twillingate (Mr. Pickersgill) as well as the hon. member for Essex East (Mr. Martin) who were kind enough, at great personal inconvenience and expense, to come to Nova Scotia and speak in my riding during the past election. They were of considerable help in my election. The hon. member for Bonavista-Twillingate made the prediction that it would be a political miracle if a Conservative member were elected in Queens-Lunenburg and more so if a Conservative government were elected to power. As a prophet he has not gained many followers in Queens-Lunenburg. Unfortunately he is not in his seat, but I am pleased to see that he has lived to see that his prophecy did not come true.

If Canadians were to choose a fishing capital for their country, the very likely choice would be the town of Lunenburg in Nova Scotia. Lunenburg would deserve this honour on several counts. In the days of sail she was the home of the largest deep sea fishing fleet in North America. Her name on the taffrails of the fleet ranked for 100 years with Gloucester and Boston. Her ships were in every Atlantic fishing port and on every foggy fishing bank. Her ships traded in every port from Labrador to the West Indies. Today a large number of deep sea fishing draggers still operate from her harbour.

For generations her people have had the reputation of being sincere, industrious and hard working. They are known throughout Canada as seafaring, God fearing people who derive most of their living directly from the sea. Others derive a living from those industries associated with fishing such as fish curing, fish packing, oar and block shops, shipbuilding and ship refitting. Some are engaged in manufacturing, which was carried out in a small way and which flourished during the past war. As a matter of fact, in my riding there are several firms which build and equip gasoline engines for sale to the local fishermen. Mixed farming is also carried out in my constituency, with the concentration heaviest in the Bridgewater district. We also have lumbering, the shipping of pit props and in Queens county the heavy concentration of pulp cutting provides a steady income for many people.

I mention these facts so that you will see that my constituency represents a fair cross-section of Canadians, and I think it is significant that these people saw fit to reject the representative from the former administration and elect a member to support the present Conservative government. Members of the former government have found it difficult to find reasons why this change was made and they have searched for the reason on the floor of the house. They were on the right hand of the Speaker so long that they cannot seem to adjust to being on the left, and they were certainly left on June 10.

It is for this reason that I have attempted to give you the background of my people. They are all hard working, thrifty, rugged individualists who abhor waste of any kind. They could never understand why such large sums were expended on the approaches at Port Aux Basques, Newfoundland, for the ferry, *William Carson,* or why the development branch of the Department of Fisheries spent from 1954 to 1956-57 a total of $817,-440 for a pilot fish-drying plant in Valleyfield, Newfoundland, which was in effect in competition with Nova Scotia plants established by private capital. Nor could they

understand the delay and expense in establishing the *Bluenose* ferry service and its construction outside of Nova Scotia, a province famous for generations as shipbuilders, and why it was berthed in the United States over night rather than at Yarmouth, Nova Scotia. It was bought with the Canadian taxpayers' money and it was felt that any industry accumulating from this operation should accumulate to the benefit of Canadians. It was felt that these items and the indifferent attitude to costs generally taken by the former government contributed to the inflation which was creeping throughout Canada. To these thrifty people inflation meant a lowering in value of their hard earned income and their savings, and so a change in government was inevitable.

May I express a further thought on inflation and our many problems. When the hon. member for Bonavista-Twillingate spoke yesterday he questioned what the government was doing about these many problems and, in fact, we hear many hon. members on the other side of the house question when we intend to implement our election promises. Well, Mr. Speaker, I would remind the opposition that we inherited a rather leaky ship of state from the Liberal government. When the leaks became apparent, the ship was passed over to us by the Canadian people. All Nova Scotians know that when you secure a 22-year-old ship that did not receive the best of care it must first be hauled out, the barnacles removed, the worm holes plugged, then scraped clean, caulked and painted. Next the rust and corruption of 22 years must be pounded free throughout the whole ship and the engines and rigging must be given a thorough overhaul. Finally, a new captain and crew must be instructed in its operation.

All this is necessary before a voyage is planned and, depending on the condition of the ship, will take from six months to a year. I am sure the hon. member for Bonavista-Twillingate realizes this is true for he owns a schooner. I submit to you, sir, that the Conservative government is in this position today and we have a major refit on our hands in this Canadian ship of state. In the meantime we are effecting some emergency repairs and in due course I am sure the government will arrange a suitable voyage for everyone.

There is no doubt in my mind that the present government is doing the best it can at this time. I see no evidence in any department that they are not trying to do a good job, and as elected representatives of the various constituencies it is our responsibility to assist the government in every possible way.

With this thought in mind, I should like to say a word at this time about our merchant marine. Engraved in stone over the main entrance to the parliament buildings are these words:

> The wholesome sea is at her gates,
> Her gates both East and West.

At this, our inland capital, these words serve to remind those who make the laws of this great nation that their community begins at the sea and grows and prospers as seafaring men in ships carry its commerce. Behind the seamen, giving them the tools of their trade, are the shipyards turning the inanimate products of the forests, mines and factories into the ships that keep business moving and growing.

For more than two centuries the commercial shipyards of this country have been sending out ships able to withstand the buffetting of the seven seas or designed with skill to meet the special needs of shippers in Canada's inland and coastal waters. The building and repairing of ships is the oldest of Canada's manufacturing industries. Canada's present-day shipbuilders have moved in step with changing and exacting demands of a mechanized age and are producing steam-powered ships, oil burners, giant tankers, diesel fishing trawlers and rugged icebreakers to penetrate northern waters as Canada pushes back her last frontier.

However, since the end of world war II shipping circles in the maritime countries have been watching with apprehension the increasing amount of merchant tonnage registered in Panama, Liberia, Honduras and Costa Rica, countries which hitherto had no interest in shipping matters. The reason for this attention is that all concerned know that ships registered in these countries are operated virtually tax free. The governments concerned give neither supervision, control nor regulation to the ships. The owners are not nationals of and have no connection with the country of registration. The crews are non-nationals of the registering country. There are no collective agreements providing minimum crew wages or working conditions in these countries. There are no labour relations providing safeguards for crew members. In fact, almost everything most valued in traditionally maritime countries is absent.

The combination of all these factors brings about the situation that ships so registered are a menace to the traditional merchant navies, the national economies of

traditionally maritime countries, international maritime standards and seafarers national wage levels and working conditions.

Because of their tax-free and almost total lack of government supervision they are given trade advantages over the ships of maritime countries. At the end of 1956, there were 1,420 ships registered in Liberia, Panama, Costa Rica and Honduras, with a total tonnage of 11,305,000 tons, which represents 11.5 per cent of the world tonnage. The increase in 1957 looks as if it will be more than 2 million tons. In fact, 20 per cent of the world's new shipping presently building is for these flags.

Because these registered ships carry such a large proportion of the world's cargoes the result is a reduction in net shipping earnings in the maritime countries. If national merchant navies are to be preserved, let alone expanded, the matter should be dealt with on diplomatic and legislative levels. The governments which are members of NATO should give support to the calling of a conference of the representative countries for the purpose of convincing these governments that their present negative attitude or open encouragement of these policies is unfair and harmful to all. Such policies, therefore, should be terminated.

We have spent large sums, over $300 million, of the Canadian taxpayers' money to provide the St. Lawrence seaway. Was this to provide a water route for foreign shipping only? I think not, Mr. Speaker. We have the shipyards and the men and during the war our merchant navy was counted as the fourth arm of the service but in spite of this our merchant navy has dwindled to ten ships. In my constituency, and throughout Nova Scotia, a large number of people make their living by building and repairing ships of all kinds, steel as well as wood. Today we see our fish drying flakes rotting along our shores. Is this to be the fate of our shipyards?

Let us examine the problem. No one will deny that we build the finest ships in Nova Scotia, comparable to the ships built anywhere in the world. Our seamen are unsurpassed by any that ever stood a watch. In 1789 when one of the oldest companies in Canada, Zwicker and Company of Lunenburg, were starting in business, and in the years that immediately followed, Canadians built the ships that caught the fish; built and manned the ships that delivered our fish and lumber to foreign markets, and at wages comparable with the earnings in other industries.

Then, a gradual change took place. The unions took over the affairs of the labouring classes including those of the seamen on cargo carriers. A debatable hourly wage was instituted, certain regulations pertaining to shipping were passed, and all of these things were upheld by the government. Today, as a result of these regulations and the high wages demanded because of our high living standards, we are unable to maintain our own fleet of cargo carriers and must depend on foreign shipping to carry our commerce.

What of the men in Nova Scotia, and throughout Canada, who like to work at shipbuilding? What of the men who love the sea, who love to roam her vast expanses in preference to a job ashore? Are we to destine them to a landlubber's life because this nation is not maritime minded enough to provide them with a ship which will carry the products of our own industries? Look at our Canadian coastline and envisage the possibility of trade on the Atlantic and Pacific coasts. I believe you will agree that it is way past the time when this matter can be ignored. It is a time for action, for sober thought, in regard to the future of our merchant fleet and seamen.

Few Canadians know that, in the days of wooden ships and iron men, Nova Scotia had more shipping per capita than any country in the world. It was the ambition of every Nova Scotia boy to become a sea captain. Many of them did and seven became admirals. Nova Scotia sent her best men to the sea as privateers, as traders, as fishermen and the sea gave up her riches to this maritime province. Nova Scotia seamen were great because they knew their craft. They not only sailed their ships but built them. They knew every stick of wood, every square inch of canvas that went into them. Today, the only impetus to maritime shipbuilding is in the realm of building pleasure craft. In the event of another war, the Royal Canadian Navy will have to call again on the merchant navy for trained personnel.

From the viewpoint of the Atlantic provinces, it is of the utmost importance to our economy that trade with the British West Indies be improved, and to carry that trade a larger, more modern and better equipped fleet than we have at present is required. It is hoped that Canada will, in the future, import more citrus juices from the West Indies. This will provide the West Indies with more Canadian dollars with which to buy our fish and wheat. In my opinion, in order to re-establish a Canadian merchant marine it is necessary for Canada to form a definite marine policy under which owners

are protected from foreign shipping. I suggest that action be taken by the government at the earliest possible date to enunciate their policy.

At this time I should like to say a few words about the tourist industry in Nova Scotia. Many of our citizens depend upon this industry for a livehood, and the industry received a boost when the *Bluenose* inaugurated a ferry service. It is a matter of great concern to many Nova Scotians, however, that this ferry is incapable of handling all the tourists who desire to visit the province from that great nation to the south of us. I would suggest that to alleviate this situation a further ferry service be instituted between Boston and, perhaps, Liverpool or Shelburne, Nova Scotia. These ports are two of the finest on the eastern seaboard and are unequalled as all-weather, deep water ports at which docking facilities are established. This further service would provide an alternate route for the convenience of the travelling public and Liverpool, known years ago as the privateer capital of the world, would welcome this new industry. I should like to impress upon this government the need for giving this matter every consideration.

The establishment of a national park area along the south shore of Nova Scotia would be of further interest to the tourist. I would propose something similar to the park on the north shore of Prince Edward Island, in an area lying between Liverpool and Cape Sable island. Beautiful sand beaches, suitable for salt water bathing, abound in this section and the inland lakes and rivers of Queens county provide opportunities for the finest of trout and salmon fishing. I believe the establishment of a national park in this area would be, not only valuable as a tourist attraction but would provide an ideal vacation spot for native Nova Scotians. In the event of a nuclear war, these national parks would be invaluable. People in thickly settled areas could be evacuated to these camp sites where water and sewage facilities are provided. Because of their location these facilities would not likely be contaminated by fall-out so I would urge the government to give some thought to this proposal.

The speech from the throne offered much comfort to our senior citizens, to the blind and disabled persons. Those worthy citizens, the war veterans, were not forgotten and the scale of their allowances is to be increased. Farmers can look forward to legislation guaranteeing greater stability in the prices of their products and the government is pledged to strive to secure additional markets for the products of our fisheries. This will be of great interest to my constituency for fishing is the real basis of our existence in Queens-Lunenburg. Most of our industry and enterprise is allied with fishing, directly or indirectly.

In the past few years great strides have been made in modernizing fishing methods and in improving the manner of marketing fish. The development of cold storage facilities throughout the country has helped distribution and has helped bring delicacies of the sea to those inland cities which, otherwise, could not enjoy our fine seafoods. The modernization of our fishing fleet has been gradual over the years. Very few of our graceful deepsea salt fishing bankers, which helped make the industry famous, are left. The memory of these ships has been perpetuated by a replica of the schooner *Bluenose* on the back of the Canadian 10-cent piece. This vessel should have, and could have, been preserved by a more thoughtful government.

Today we see a new and different fleet made up of diesel-powered long liners, sword fishermen, scallop draggers and ground fish draggers, ranging in size from 55 feet to 65 feet in length. It is true that we have some deepsea trawlers ranging up to 115 feet in length, but the majority of the fleet today is made up of smaller ships, individually owned or owned by groups of fishermen.

With the increased growth of this fleet, a definite need arose for a protection service or a coast guard. This request was made of the former Liberal administration and it was ignored. It was ignored because apparently no members of the former administration have spent any time at sea, as I have. They were unaware of the need and did nothing for the maritime fishermen. Needless to say, at election time the maritime fishermen did nothing for the Liberal candidates, as evidenced by the large number of members from the Atlantic area.

During the past summer two specific events occurred on our eastern seaboard which outlined the need of a coastguard. The *Jean and Edith* captained by Mr. William Evans, is a 65-foot fishing dragger, fishing out of Sydney, Nova Scotia. This ship broke down on the grand banks off Newfoundland and radioed for assistance. Unfortunately no one was listening and, as the winds blew and the seas rose higher, it looked as if this was the end. Fortunately, however, our United States friends have a coastguard stationed at Argentia, Newfoundland, and just when it appeared as if all was lost they found the small dragger and towed it to Newfoundland.

Later in the summer the *Alfred D.*, a 65-foot fishing dragger, also broke down on the grand banks. When it appeared as if no one would

rescue them, Captain Bernard Tanner, by a stroke of good luck, heard their call for assistance, and though he has only a 65-foot dragger, he towed the *Alfred D.* 400 miles to port.

If we abolished the 12-mile fishing limit, and used the present ships engaged in fisheries protective work, we would have the nucleus of a Canadian coastguard without any additional cost to the taxpayer. I would impress upon this government the definite need of a Canadian coastguard, and urge it to consider establishing this service at the earliest possible date.

I listened with much interest some weeks ago to the hon. member for Charlotte (Mr. Stuart) when he referred to the prices received for fish some 20 years ago. I should like to remind this house that there has been little change between then and the present time. In fact, the price of fish in Nova Scotia has been more stable than has the Canadian dollar. The cost of living index shows that it has decreased considerably in value during the past 10 years, but we receive almost as much today for codfish as we received 10 years ago.

In 1947 the cost of constructing a 100-foot fishing dragger was $140,000 and codfish was selling to the wholesalers at 3½ cents a pound by fishermen. Today a dragger of 100 feet will cost $280,000 and codfish are worth 3¼ cents a pound, according to the press of Thursday, November 7.

There is no clearer evidence of the inflation that has spread throughout Canada, and the neglect and disregard of the fishing industry in the last 10 years under a Liberal administration with regard to costs. Unfortunately the price of fish did not rise in proportion with the costs of the ship, and the fishermen are today faced with these higher costs, not only for the ship but also for oil, rope, paint, fishing nets, refits and in fact everything connected with the fisheries operation.

It is clear that the fishermen do not need subsidies or assistance from the government. What they need is a fairer price for their landed product in relation to their increased costs. Clearly the time has come for governments, both federal and provincial, to direct their efforts and funds to the encouragement of greater fish consumption. In addition, I would urge the present government to add to its investigation program and investigate the prices and the spread in prices paid to Canadian fishermen, in comparison with their United States counterparts, with a view to improving the economic lot of the fishermen of Canada.

We have had a strange event happen this week. There have been rumours to the effect that an investigation into the primary prices of fish was to be carried out and on Monday an announcement was made in the local press that prices paid to the fishermen in the maritime provinces would increase by 20 per cent. At a time when all other commodities were advancing in price the prices paid to the fishermen remained static or declined. Now when other products are levelling off or declining we are advised by the manipulators in the fishing business that they are advancing the prices paid to the primary producers by 20 per cent. To those fishermen who were told that they would have to tie their boats to the dock, to the workers in the fish plants who were told that there would be no employment for them if they voted for a Conservative government, this will be extremely welcome news and certainly a contradiction of what they had heard prior to June 10.

I have listened with interest to hon. members on both sides of this house, representing constituencies in the west discuss the problem of wheat. I have never been to the west but I should like to remind hon. members, after listening to the many discussions, that this is a problem of abundance, of God's bounty. There is a biblical reference that in another time it was decided to tear down the barns and build greater. We have done just that in Canada, Mr. Speaker, and today there is much soul-searching to sell this wheat. We have no similar glut of fish on the eastern coast for the product of our primary producers is sold in the open market at a price which the public are willing to pay. This simple expedient was apparently never recently applied to the product wheat which has a value set by the government. We hear of the injustices to the western farmer, but he is still allowed to plant his crop.

Consider the attitude of the former Liberal government with regard to the Canadian fishermen. Our fishermen had to remain outside a limit of 12 miles from the Canadian coastline, while fishermen of every other nation were allowed to fish within three miles of the Canadian headland, and to fish on our prolific inshore banks. Further, if one of our Canadian fishing draggers were caught fishing within the 12-mile limit, a $500 fine was imposed. Yes, Mr. Speaker, there was little doubt in the minds of Canada's fishermen that it was time for a change. I would impress upon this government the need of reviewing the 12-mile fishing limit.

In closing, I think it is only fair to say that the people of Queens-Lunenburg look forward to the future with new hope under the

present government. I am certain that their requests, which have always been modest, will be given every consideration and that we will advance along with the whole Atlantic area and enjoy under this administration a fairer share of the national economy.

Hon. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, my first words will be to compliment Mr. Speaker on his election to his high office. His legal and parliamentary experience and knowledge, his urbanity and affability commend him to the unanimous choice of this house.

(Translation):

Mr. Deputy Speaker, I want to take this opportunity, while you are occupying the chair, to congratulate you on your appointment to this significant post and to assure you of our conviction that you will guide the debates in this house with justice, fairness and impartiality.

(Text):

I wish also to congratulate the mover and the seconder of the address. They have given a good account of their ability despite the poorness of the material with which they had to deal.

I have read the speech from the throne a number of times with great attention. I have even tried to read between the lines. However, I must confess, Mr. Speaker, that I have failed to see in it the great things which hon. members opposite have talked about in such glowing terms. The first half of the speech from the throne is devoted to Canadian nationhood, Commonwealth solidarity, the Colombo plan, the North Atlantic Treaty Organization and the United Nations. On these subjects we all agree and there is nothing new in what has been said. As a matter of fact, there is not even the suggestion of a new approach.

Then the speech from the throne goes on with the somewhat trite statement:

> . . . my ministers look forward to meeting next month with the leaders of the provincial governments in order to discuss fiscal relations.

Well, despite the importance of the subject and the pledges given by the Prime Minister during the election, we have in this debate heard not one word from the cabinet about the policy of the government in that field. Moreover, it is clear from the answers we have received since the beginning of this session that the government has no set policy nor is it preparing any proposals which it could lay before the conference.

It seems to me that serious study of these grave problems—and I am very sorry I have come to hold this belief—is as far away from the minds of the ministers as electioneering and partisan politics are ever-near and ever-present. It looks as if the cabinet will be as far from ready for this federal-provincial conference as the Minister of Finance (Mr. Fleming) was for the Mont Tremblant conference. It is clear from the letter addressed by the Prime Minister to the premiers of the provinces on October 31 that the government is merely preparing the physical arrangements for a conference, the only accomplishment of which will be to prepare for another conference.

Then the speech from the throne mentions a bill providing for vacations with pay for workers under federal jurisdiction. We know now that the provisions of the bill do not satisfy labour completely. The speech also expresses the pious hope that new markets will be found for our fisheries and agricultural products, but since June there have been no signs that this hope will be realized.

The speech from the throne also mentions legislation to provide greater stability in the prices of farm products. I suppose this legislation will follow the resolution which is on the order paper. A careful reading of that resolution tends to show, having in mind the constitutional limitations of parliament, that it means nothing more than the continuance of the policy of price support. It looks like the same policy with a different setup and a more costly and cumbersome administration. After all, if you will allow me, Mr. Speaker, to translate from the French this addition of $50 million to the revolving fund is nothing but "powder in the eyes" of the public.

Leaving aside for the moment the paragraph on national development and the subparagraphs on cheaper power for the Atlantic provinces, and the South Saskatchewan dam and the development of the Columbia river to which I will come later, what is left of the speech from the throne? The government is increasing its assistance to wheat growers and to the recipients of social security payments according to policies which have been developed by the Liberals; with the difference of course which I mentioned the other day that there is no increase for the recipients of family allowances in spite of the promises made by the Tories in Quebec during the last electoral campaign.

Oh, it is so very easy indeed to increase public expenditures, especially when no consideration is given to its possible detrimental economic effects or to the additional taxation it might involve. It was because of the inflationary pressures existing at the time, which still exist to some extent, that the previous administration did not feel it could do more than it did in those fields when it had the responsibility of office. However, the fact that the present government has

seen fit to provide these additional benefits does not give it the right to act as if it had initiated all the policies under which the benefits are made available and to present itself—as did the Minister of Public Works (Mr. Green) the other day—as the only defender of the little people of Canada. Oh, it is quite easy to act quickly when the only thing which is involved is the increasing of the amount of benefits and assistance within the framework of already existing Liberal policies.

I am glad to see that the Minister of Northern Affairs and National Resources (Mr. Hamilton) is in the house because I now wish to come to the point made in the speech from the throne with respect to a national development policy. As was to be expected, that policy is not defined in the speech from the throne, nor was it defined or explained by the Prime Minister (Mr. Diefenbaker) when he referred to it in this debate on October 15. I have gone through the discourses of the Prime Minister and those of his predecessor as leader of the Conservative party in this house with reference to this subject during the past years, but I have not been able to find any definition of a national development policy or plan. On October 24 of this year I asked the Minister of Northern Affairs and National Resources if it was his intention to outline to the house the famous national development policy or plan which the Conservatives had been talking about for years. As I expected, I received no answer. Anyway, it is usual to receive no answer from the minister. The only logical conclusion to which we can come is that this government has no national development plan or policy in mind.

Some hon. Members: Hear, hear.

Mr. Bell (Carleton): Nonsense.

Mr. Lesage: Well, I hope the parliamentary assistant, instead of interrupting with remarks like "nonsense"—which might easily apply to him—will rise during this debate and, if he is so good and so well informed, will give to this house an explanation outlining this famous national development policy of the Conservative party. I challenge him to do so.

As a matter of fact what does the speech from the throne mention and what did the Prime Minister mention in his speech on national development? He merely mentioned the creation of facilities for the production and transmission of cheaper electric power to the Atlantic provinces, assistance in the financing of Beechwood, discussion with Saskatchewan on the South Saskatchewan dam and discussions with the United States government on the development of the Columbia river. Most of these things are not new. They certainly cannot be presented as constituting a national development policy.

After all, a national policy must be precise in scope. It requires principles and methods, and it has to be made available to all regions of Canada. There is nothing of the sort in the government proposals for those things I have just mentioned. Moreover, the democratic way in which to initiate a national policy in any field is for the government to spell it out in a special piece of legislation and submit it to this parliament. But the government is content with promises; it has become accustomed to that since the last electoral campaign.

The first promise is about the creation of facilities for the production and transmission of cheaper electric power in the Atlantic provinces. This is, after all, only a continuation of the policy which was announced in this house by Mr. Harris, the former minister of finance, on March 14 last, and detailed by myself on April 9. However, since October 14 it has become obvious that whatever is intended by hon. gentlemen opposite is not for the Atlantic provinces, but only for Nova Scotia and New Brunswick.

Then I understand that the government intends to initiate new discussions with the government of Saskatchewan with regard to the South Saskatchewan dam. The previous government had such discussions, but they were not successful. If the present government can come to reasonable terms with the government of Saskatchewan, so much the better, but after the answers the Prime Minister gave in this house last week I am afraid it will take a long time, even more time than the present administration will have at its disposal.

Finally, the speech from the throne says, and I quote:

> My ministers are pressing for a favourable settlement of international problems in connection with the Columbia river.

I am astonished that any government should have the nerve to put into Her Majesty's mouth words which have so little relation to the truth. After the questions I put in the house to the Minister of Northern Affairs and National Resources on April 22 and 24, it is obvious that there has been no discussion with the United States authorities on the subject since I led a delegation to Washington on May 20 last. Nothing has been done in this field, as nothing has been done in other fields by this government of words and promises, even on such an important matter as this, and the Minister of Northern Affairs and National Resources should know it by this time.

I should like to turn now to vital matters which are not mentioned in the speech from the throne. In several of the fields in which we have grave problems what we find is government by postponement. Yes, sir, government by postponement. Instead of facing the issues and defining its own policy, the government calls conferences and appoints royal commissions. What is the policy of the government in the field of trade? It is a policy of conferences. The government has refined this technique to a point where we have conferences called for the specific purpose of organizing another conference. The government is so convinced of the merits of this new technique that it claims a great victory —I am thinking now, of the Minister of Finance—when it has succeeded in making the physical arrangements for another conference.

In the field of trade we know now that this 15 per cent policy is nothing but a monumental bluff. Michael Barkway has been quoted at length in this house by hon. members on this side, but I should like to put on *Hansard* a quotation from an article by Blair Fraser which appeared in the October 26 issue of *Maclean's* magazine. Writing about the attitude of the Minister of Finance at the conference held at Mont Tremblant, he had this to say, and I quote:

> Rightly or wrongly, everybody in the room was convinced that the reason he—
>
> The Minister of Finance
>
> —could not talk about Canada's proposals was that Canada had no proposals worth talking about.

And Mr. Fraser concluded his article with the following paragraph:

> Like the weavers in the old story of the emperor's new clothes, Fleming and his advisers had been working all summer on the fabric of this great Canadian idea, a commonwealth trade conference. And on the day of the big parade it was not the innocent voice of a child but the bland tones of a chancellor of the exchequer that set off the deadly cry: "The Emperor has no clothes on".

In point of fact, Mr. Speaker, the government is so busy preparing conferences that it has no time to prepare itself for those conferences.

In a more restricted field, what is the attitude of the government with respect to certain tariffs now protecting Canadian industries, such as the tariffs on textiles? The government has no policy, or, rather, it has decided to make a reference to the tariff board so that the board can supply a policy to the government. What about the problem of our economic relations with the United States? Here, again, no policy but a conference, where something or some one was fixed. As to who did the fixing, I believe what happened at the FAO meeting yesterday in Rome is revealing as to the intentions of the United States government with regard to the protection of Canadian trade.

When the Conservatives were in opposition they used to blame the Liberals for the low level of farm income and the spread between the retail prices of agricultural products and the receipts of farmers. Now that they are in power, what is their policy? Here again, they have no policy or, rather, the government has announced its intention to create a special committee of the house to investigate this problem, and we can infer from the Prime Minister's remarks in this house that once the committee has terminated its study a royal commission, a new Stevens commission, will be appointed to consider the work of the committee. Thus we have conferences to prepare other conferences, and royal commissions to study the reports of parliamentary committees. In the meantime, we have government by postponement. In this way the Conservative party hopes to hide from the Canadian people the fact that on major issues it has no policy.

In the field of energy, here, again, we have heard no policy announced by this government. We all know that the Gordon commission devoted a good deal of attention to this problem and will in its final report make specific recommendations which were anticipated in its preliminary report. Before knowing what will be the final recommendations of the Gordon commission in this respect, the government appoints a royal commission whose main purpose is to make an inquiry on the recommendations of another commission before these recommendations are presented in final form. This is what can be called quick action, but what about the wisdom of the action. Of course, everybody knows why this royal commission on energy was appointed; every one in Canada knows that it is to hide the fact that the Conservative party wants to continue the pipe-line policy initiated by the past Liberal government.

Mr. Knowles (Winnipeg North Centre): Shame.

Mr. Lesage: Yes, it is true.

Mr. Knowles (Winnipeg North Centre): Shame.

Mr. Lesage: That is why the royal commission on energy has been appointed. The Conservatives strongly criticized this policy of the past Liberal government and of course they do not dare admit publicly now the fact that they endorse the policy. What they wish to do is hide that policy of theirs behind a royal commission. They do not have

the courage to admit they will have to follow our policy in this matter. They intend to escape their responsibility by appointing a royal commission.

Contrary to a well-established tradition—and this is remarkable, you know,—there is no reference this year in the speech from the throne to the current economic situation. It is the first time since I have been in this house that there has been no reference to the economic situation in the speech from the throne. This omission is certainly not justified by the absence of economic problems. It can only be explained again by the absence of government policy.

After all, at present we have both rising prices and rising unemployment. Unemployment is rising rapidly and I am sure it will attain new post-war heights during the coming winter. It is expected that there will be several hundred thousand unemployed during the coming months in Canada. What is the government doing about this situation? The government, through Central Mortgage and Housing Corporation, has made available an amount of $150 million in the form of loans in order to stimulate housing construction. This is not a new policy but the application of Liberal policy. This amount was always authorized in the act passed by parliament under a Liberal administration.

What else is the government doing to meet this situation? We have been told by the Minister of Labour (Mr. Starr) that the government is concentrating its building program during the winter months. Here again is a policy initiated by the Liberals but at the same time there is evidence that the government in its endeavour to reduce over-all expenditures as promised during the election is cutting down its construction program, which of course will have an adverse effect on employment.

During recent months prices have risen continuously and in spite of what the Minister of Finance said on orders of the day prices have not ceased to climb. In the situation we are now facing rising unemployment and rising prices are not incompatible. Moreover, in the long run, despite what the Minister of Finance has said, the experts in the field of economics in the United States, the United Kingdom, Europe and Canada all agree that the great danger in the free world is still inflation.

What is the government doing to curb the so-called creeping inflation and to reduce inflationary pressures? Here again it has no policy. We have not heard a word from the Minister of Finance on this subject. However, the minister made a speech a few weeks ago in Montreal in which he made quite astonishing statements on the problem. In substance he said that the curbing of inflation was the responsibility of the individual citizen and he implied that anti-cyclical budgeting was an unwise policy. The minister surely knows that inflation is a collective phenomenon which feeds itself and develops into a spiral. There is very little that the individual citizen as such can do to prevent rising prices.

The Conservative government wants to appear as the party of the common man by increasing some of our social security payments but it still supports the good old reactionary fiscal policy of the Bennett regime which contributed so much to aggravate the depression of the 'thirties. Since the second world war all the democratic governments whether Conservative or Liberal, except the present Canadian government, have recognized that one of their primary responsibilities is to ensure a high and stable level of employment and income and that fiscal policy is one of the most effective weapons in the fight against unemployment and inflation. Surely the Minister of Finance knows that economic instability, whether it manifests itself in the form of unemployment or inflation, has its roots in the private sector of the economy and that a government whose policy it is, according to the Minister of Finance, to rely mainly on private initiative to eliminate those undesirable conditions is evading one of its basic democratic responsibilities. What we need at present is a positive and dynamic fiscal policy to cope with the present economic situation but the government is offering a negative policy based on the old fashioned and outmoded approach of Tory laissez-faire.

Absence of policy, Tory laissez-faire and government by postponement are the main characteristics of the present government. The Canadian people are still waiting for clear-cut policies on matters of national concern but the government is silent. We had an example of that today. The members of the cabinet have consistently refused to answer questions and to give information on important matters of policy to this house and to the people of Canada.

The reasons for this absence of policy and for refusing information are quite obvious when we hear the Prime Minister and the members of the cabinet mention the possibility of a general election. That is their refuge whenever they are reminded from this side of the house of their lack of policy. The Prime Minister would like the people of Canada to believe that the dissolution of parliament would be an act of courage on his part.

On the contrary I maintain that in the present circumstances it would be a confession of failure. It would be an admission that his administration cannot cope with the problems it should face. It would be nothing less than a retreat from hard realities.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, having listened to the hon. member for Montmagny-L'Islet (Mr. Lesage) for the last few minutes I am quite convinced that one of the prerequisites of a successful Liberal politician is to have an illimitable amount of gall. We have just heard a former cabinet minister asking the government to express its policy and while I think he has the right to ask for it and the right to expect it I would point out that during the years I have been in parliament I have never listened to a Liberal policy being expressed except what had been filched and stolen from other parties. Now that the Liberals are in opposition they still fail to express any policy because when the hon. member for Algoma East (Mr. Pearson) was asked the other day by a Tory what Liberal policy was with regard to a certain subject the hon. member for Algoma East said, "Our policy is to wait and see what your policy is". Thus we listen to Liberal and Conservative members batting nothing from one to the other.

I want to discuss today certain aspects of Liberal policy in the past which have brought us as a nation to a very precarious situation at the present time. Three years ago I introduced this subject of the extent of United States domination over our economy, and in the last three years the situation has become appreciably worse. There are many sincere people in this country who are very worried about our capacity as a nation to survive. The more pessimistic have told me that within a predictable number of years this House of Commons will be the capital of another American state. I do not happen to share that pessimism but I do think that the situation today, from the point of view of Canadian independence, is extraordinarily serious, and it is this which I want to examine. On February 4, 1955, as found at page 855 of *Hansard*, I had this to say. It aroused the wrath of a good number of people but I am not taking back one word.

> Most of the foreign investment here is American, although quite a substantial part is European. And under certain conditions I welcome both. I welcome more European investment because I want to see greater diversity of investment in this country, rather than have us almost in thraldom to one country.
>
> But the significant thing is that when one looks at the financial structure of Canada one is struck by the small, the almost insignificant part which Canadian capital itself has played in the opening up of this country. When I think of the Canadian capitalist I think about what Robert Burns said about the mouse—the "tim'rous beastie". Unquestionably, when it comes to investment in their own country, Canadian capitalists are frightened, cowardly creatures depending always upon outsiders to do the job which they should be doing themselves. They are men without vision, men without confidence, men without any courage whatsoever. I think of what the future of Canada has for all of us, and then I realize that Canadian capitalism has abdicated in favour of the foreigners.

That situation has become even more apparent over the last few years. I repeat what I said about foreign investment. We need it in this country but in doses not so great that it threatens the independence of Canada. The speech I made at that time aroused the ire of Mr. Grant Dexter, one of the most respected members of the press gallery and one for whom I have a decided personal liking, although I must say he is constantly blinded by Liberal blinkers. He wrote in the *Free Press*:

> Suggestions that Canadian investors are timorous or that we are in danger of being enthralled or enslaved by foreign capitalists must be set down to socialist rhetoric. The truth is otherwise.

I am sure Mr. Dexter would be the first to admit today that the truth is not otherwise. I want to call one or two witnesses. The first is a most reliable one despite Mr. Dexter's concept. I mean the editor of the *Financial Post*. The *Financial Post* had this to say editorially a short while ago:

> Canada now finds itself with around 60 per cent of its industrial machine and a high percentage of its raw materials owned by foreign corporations. That means a great many of the big decisions affecting this nation and its people are made outside the country and the pace of foreign ownership is increasing.

When I am told that over 60 per cent of Canadian industry and very much more of Canadian raw materials are owned by foreign capitalists I wonder what is wrong with our own capitalists, and I accuse them, and rightly so, of cowardice in letting outsiders come in and do the job which they themselves should be doing. When I am told by the editor of the *Financial Post* that a great many of the big decisions affecting this country are made outside of it, then I adhere to my original words that we are living in a state of thraldom to a foreign country.

But there are other witnesses one can call. For instance, in the Canadian Journal of Economic and Political Science of November last year there was a most interesting article by two members of the dominion bureau of statistics, Messrs. C. D. Blyth and E. B. Carty, who have done some extraordinarily good work in the field of Canada's balance of payments. They had this to say:

> No other nation as highly industrialized as Canada has such a large proportion of industry controlled by non-resident concerns.

I am one of those who believe that where you have economic control ultimately you have political control, and when that is the situation then to say we are not in a state of thraldom is to talk nonsense. To take still another issue of the *Financial Post,* I find the following:

> That Canada should proceed through a decade of unparallelled boom and development, and find herself more than ever a hewer of wood and drawer of water, is a fact that is, to say the least, disturbing.

I, Mr. Speaker, find it alarming, for if we are hewers of wood and drawers of water it is not a matter of our own volition it is not a matter of our own free will. It is being imposed on us from outside, so how can we say that we are free? We are not. I object to this foreign domination but I do not blame the Americans one iota. They are playing the game as they know it under their free enterprise system. It is not the United States investor who is to blame. It is the Liberal government in past years which sold Canadians down the Hudson river. They are the ones who have got to take the responsibility.

In time to come the Tories may be faced with the same strictures but they are going to be given a chance to show in the meantime precisely what they can do. It is not as though the Liberal government had been ignorant of what was happening. They had been told by Mr. Coyne of the Bank of Canada and their other economic advisers that the effect of this foreign investment in Canada was to add fuel to the inflationary flames. They were told last year by Mr. Coyne that a billion dollars too much money was in our economic system and that therefore the effect of it would be inflationary.

What action did the Liberals take? They did nothing very much except to give us the free enterprise answer that if there is inflation it is the fault of these terrible workers who want increases in wages. But the workers of this country have every right to the highest possible standard of living they can secure and workers' wages always follow the cost of living and never precede it. Therefore when the workers come out for higher wages it is to meet a cost of living which has been brought about by the fiscal policy of one government or another.

The Liberal government knew that inflation was upon us and they knew how it was being caused because Mr. Coyne tells us in his report this year how it was being caused and he must have told the government last year how this was happening. On page 4 of Mr. Coyne's recent report he says:

> In Canada, the chief cause in inflationary pressures was a great increase in capital expenditures, a boom in investment, particularly business investment in resource development and in fixed assets, construction, and expansion of equipment. A significant part of the total, including many of the largest projects, arose from large foreign enterprises taking the lead in developing Canadian resources with a view to export of raw materials to the country of origin of the foreign enterprise.

I draw Mr. Dexter's attention to this again.

> A significant part of the total, including many of the largest projects, arose from large foreign enterprises taking the lead in developing Canadian resources—

Where were our Canadian entrepreneurs? Where were our Canadian capitalists that they had to let foreigners do the job for them? What was the effect of all this? The government of the day, the Liberals, suddenly became alarmed. They got certain advice from Mr. Coyne and Mr. Coyne tells us what it was on page 41 of his report. I disagree with this statement and I am going to make an amendment to it. Mr. Coyne says:

> In the circumstances of 1956, and in view of its statutory responsibilities, the central bank had no alternative but to restrain monetary and credit expansion since it was clear that any significant increase in the money supply would have added to inflationary pressures.

That is not a correct statement. One word is missed out and I am going to put it in.

> In the circumstances of 1956, and in view of its statutory responsibilities, the central bank had no alternative but to restrain Canadian monetary and credit expansion—

What the central bank did, and this was a matter of government policy, was to restrain Canadian business, to restrain Canadian enterprise, and it succeeded for a very obvious reason. Canadian business is dependent upon whatever money market there may be in Canada for its capital requirements and when these requirements are cut and whittled down then business and industry itself are cut and whittled down. Canadian industry was left flat on its back while United States industrial enterprises could expand as much as they liked, and again the reason for that is obvious. These United States dominated subsidiaries in this country have tremendous reserves of undistributed profits, great reserves for depreciation and other reserves which they can use for expansion.

If they run short of these reserves, all they have to do is go to their parents over the line and get some more money for expansion. The end result of Liberal policies in this country, therefore, has been a net increase of United States domination over Canadian industry at the expense of our own Canadian industry. The Liberals will not be allowed to forget that in a hurry so far as I am concerned. They have hurt Canadian industry and have given all the assistance, all the aid they possibly could to foreign industry to

come in here and eventually assume the degree of control which I am going to point out.

Now, I mentioned before the names of two Canadian civil servants, Messrs. Carty and Blyth. We ought to be grateful to them for the work they have done in the annual statement of the Canadian balance of international payments. I want to quote some of the figures which they have given because they are worth considering. A study has been made which covers production and employment in manufacturing by United States controlled firms which have a Canadian investment of $1 million or more. It is worth noting that these companies represent about 90 per cent of the capital in all United States controlled manufacturing companies in Canada. It is worth noting further that they account for 30 per cent of the selling value of all factory shipments in 1953. I am dealing with 1953 because unfortunately these figures do not go beyond that date. I hope the dominion bureau of statistics will take steps to project these figures and bring them up to date so we will know what has been happening.

They account for 30 per cent of the selling value of all factory shipments and 21 per cent of all the employees engaged in manufacturing, although they represent just about 2 per cent of all manufacturing establishments in Canada. Here is industrial concentration with a vengeance. Two per cent of the manufacturing establishments in Canada account for 30 per cent of the selling value of factory shipments and employ 21 per cent of the labour engaged in manufacturing.

Now let us examine this table a bit more closely. There is a statement here, statement No. 21, which gives us some idea of what is happening. It is headed "Share of United States Controlled Manufacturing Establishments in Selling Value of Factory Shipments, Employment", and so on. In establishments with 1,500 employees and over, and there are 20 of them United States controlled, the selling value of factory shipments was 52 per cent—that is of all shipments in that category —the employment was 40 per cent in that category and the earnings were 41 per cent. In establishments employing between 1,000 and 1,500 employees, and in this category there were 25 United States establishments or 39 per cent of the total, the selling value of factory shipments was 45 per cent; 41 per cent employment and 43 per cent earnings. In the group employing between 500 and 1,000 employees, and in this category there are 79 establishments, 39 per cent of the selling value of factory shipments is controlled by those in this group; 33 per cent of employment and 36 per cent of earnings. As a matter of fact, 45 per cent of the production of all establishments with factory shipments of $5 million or more was in 212 United States establishments. This is what I mean when I talk about the concentration of industry and the concentration of economic power.

It is pointed out by Messrs. Blyth and Carty:

> The above data show that investment and production are highly concentrated in a small number of the larger firms controlled by non-residents.

What they say is obviously true. Let us take another table, statement No. 20 on page 29 of the Canadian balance of international payments, "Manufacturing and Mining Enterprises in Canada, Concentration and Control". It is divided into four groups. The first one is "Petroleum Exploration Development and Refining", and of all enterprises in this category 67 per cent of the control is outside Canada. There are also "Large Enterprises"—this includes all manufacturing and mining companies with an investment in Canada of $25 million and more—and there are 13 large enterprises in this category, 81 per cent of which are controlled outside of Canada. When I say "controlled" I do not mean to say that they are United States owned. Certainly not, but the great majority most emphatically are. Then, we come to "Mining other than Petroleum Exploration and Development". In this category 55 per cent of all enterprises is controlled outside of Canada and 68 per cent of the large enterprises—which in total number about 14—is controlled outside of Canada. In the grouping "Manufacturing other than Petroleum Refining", 47 per cent of all enterprises is controlled outside of Canada—the number of enterprises is 55—and 54 per cent of the large enterprises is controlled outside of Canada. In the grouping "Total Manufacturing and Mining", 51 per cent of all enterprises is controlled outside of Canada and for the large enterprises, which total 82, 62 per cent is controlled outside of Canada.

Then, the report goes on to say on page 28:

> The capital investments in these large enterprises were about 80, 70 and 55 per cent respectively controlled outside Canada. In each of these areas of investment foreign control represents a significantly higher proportion of the large companies than it does of the industry as a whole. If account were taken of the changes in control which have occurred in this group of enterprises since 1953, the ratios of non-resident control would be 95, 75 and 57 per cent respectively (based on 1953 book values), or about two-thirds for the whole group.

There is part of the story of the concentration of foreign-owned enterprises in this

country. There are many other tables which one could put on *Hansard* to substantiate the case I am making, but I am not going to do it, primarily for the reason I simply do not have the time.

What is the effect of this concentration, economically and socially, on this country? We know that these companies are not owned by great masses of shareholders. In the United States, on the other hand, there are many thousands of shareholders who have shares in the ownership of their companies even though they have no control or no say in the direction of them. This is not so here because the majority of the equity capital is held, of course, by the parent company. Take, for instance, Ford of Canada. There are Canadian investors in Ford and yet none of them are naive enough to think that anything they say or do is going to affect the control of this company which is dominated exclusively by the United States.

Then, again these large United States enterprises are not unduly concerned about their shareholders. I call to witness here Mr. Gordon Huson who is editor of the *Business Quarterly* which is published by the University of Western Ontario. He tells us on page 254 of the fall, 1957 issue:

> —both Canadian General Electric and Canadian Westinghouse in making offers to buy the shares of minority shareholders wielded the whip by announcing that future dividends were to be cut to increase investment.

They told Canadian shareholders they were going to cut dividends. "You had better sell out to us because we do not want any Canadian shareholders in our concern." This seems to be a deliberate part of the policy of these corporations. These figures show the reason why. United States corporations, in distinction to ours, are eternal. They think of themselves in terms of eternity. They outlive governments, and sometimes even outlive nations. Our Canadian corporations do not think, perhaps, so far ahead. Yet the fact remains that these United States corporations are not paying out too much in dividends. They are holding large amounts of undistributed profits. They are keeping their reserves for further investment in Canada and for further control in Canada.

The very size of these corporations discourages competition in this country. No small manufacturer is going to set himself up against these giants because he knows what is going to happen to him. Their very size, as I say, discourages competition. Their size is one of the effects of what is so humorously called free enterprise. By its very nature free enterprise has got to expand, has got to grow and it can only do so at the expense of other companies. Free enterprise becomes monopoly enterprise. It is worth noting, of course, that the 500 big United States corporations have 750 plants in this country and they are the ones who do most of the controlling. The effect of these giant corporations in so many fields is to kill competition. It is true that ostensibly there is an element of competition. After all, they would not dare kill off every competitor, so they allow some to exist with a rather cynical bow to the combines investigation branch. If the Minister of Justice (Mr. Fulton) were here, I would tell him how I think he could make this branch really effective.

If we want to stop combines, there is no sense in fining them because they regard a fine merely as payment of a licence to carry on with their combinations. If we want to stop combines and cartels in this country the way in which to do it is to send each of the directors who is responsible for breaking the law to prison for two years without any alternative. That would stop combines in Canada. It would also, of course, stop the investigation branch of the combines department in Canada and no branch likes to put itself so completely out of business.

I refer again to the Minister without Portfolio (Mr. Macdonnell) in the Conservative government, and also Mr. Grant Dexter who maintain that foreign investment in relation to total investment has fallen. It is not so and it is demonstrably not so. Rather than put the figures on *Hansard*, I would ask these gentlemen to go and look up the 1956 figures. Also let them examine into the basis for their argument because it is quite spurious.

After all, what is Canadian investment? Canadian investment includes housing, roads, hospitals, schools, sewers, and public works of all sorts. I do not think we have ever got to the stage where we were ready to ask outsiders to come in and finance our homes. It is possible that provinces and municipalities must get outside help in financing schools and so on when they borrow outside of the country. But by and large those are the items which make up the great mass of Canadian investment. But on top of that, Canadians also invest money in industries in which they have a primary interest such as beverages, textiles, clothing, food processing and a multitude of smaller concerns. But there is one big one in which I think up to the present there is still Canadian control and that is in primary steel. Canadians, for some reason, have always been prepared to invest in primary steel. However, United States investment has been in different fields. It has been for years in

petroleum, mining, smelting, electrical appliances, automobiles, chemicals, pulp and paper. These United States subsidiaries control large segments of these industries. Let me quote from the Gordon commission in connection with this matter.

> The influence which foreign-controlled concerns exert in some industries may be greater than the percentages which the amount of foreign capital investment in these industries might imply at first glance. This is because, in Canada, a relatively few large firms tend to predominate in many industries; and the influence which they exert in such industries may be pervasive and compelling. If these few large firms, or a majority of them, are controlled by non-residents of Canada, it may follow that the foreign capital invested in the industry, because of the way in which it is concentrated, in fact dominates or at least influences greatly the operations and the general conduct of the entire industry.

That is an extremely interesting statement, "Foreign capital ...dominates or at least influences greatly the operations and the general conduct of the entire industry".

What is happening is that they are not only dominating industries but they are now beginning to dominate the economy of the country as a whole. That situation, I maintain, presents many difficulties to Canada today. One of the great dangers it presents is the disappearance of us as a political entity. Here is what is happening. Again I come back to the *Financial Post*. You will notice, Mr. Speaker, I am using most reputable sources for my quotations. Mr. Michael Barkway had some rather interesting articles in the *Financial Post* in recent months. One appeared in the issue of August 10. Mr. Barkway has this to say:

> Over a steadily widening area of Canada-U.S. trade the normal relationship between buyer and seller is being abolished.
>
> In the majority of these bulk commodities there is no longer an American buyer bargaining with the Canadian supplier. The American buyer is doing away with that old fashioned process. He is getting control of the Canadian seller.

In other words, what is happening is what I outlined earlier, namely that free enterprise can only continue to exist by expansion, by domination, by the eradication of competitors and eventually by the creation of monopolistic industry. Yet that is the logic which actuates those who believe in free enterprise.

But there are also some other interesting facts to consider. I am quite sure that 90 per cent of the iron ore exported to industries in the United States comes from United States controlled companies in Canada. More than 90 per cent of our oil and gas are United States controlled, and about 80 per cent of our non-ferrous metals mined and smelted in Canada are United States controlled. About 50 per cent of the pulp and paper comes from United States controlled industries.

There are great implications in the concentration which exists. The Americans are dominating these industries. What is wrong with Canadians today? Could they not have gone into these many fields which the Americans are in? The excuse that is given is that Canadian capital could not afford to take the risk of going in and opening up the northern regions of Canada because they had no guarantee of any markets. That argument, I suggest, is fallacious because Americans needed our products. But in typical free-enterprise fashion the Canadian capitalist sat on his hands and waited for the Americans to come in and do the job for him because the Canadian is afraid to gamble on his own country. The Canadian is afraid to risk his money on his own country. The inevitable result has been that foreigners have come in and have done the job for us. Certainly there are markets had free enterprise had any reality and had those Canadians who owned the capital gone out and fought for the markets. A more legitimate excuse is that the Americans had the technical knowledge. That I admit, but I still insist also that even today you can still hire brains.

In many ways—and I insist on this—we need United States capital. But that capital should have been controlled for the welfare of the people of Canada. A great many people shudder at the thought of this word "control". Yet let me remind the house that somebody is going to control this country. It is either going to be the democratically elected members of parliament or it is going to be big business for its own greater glory and of course its own greatest profits.

These are some other matters that should be giving us a good deal of concern. What, for instance, about the future shape of the Canadian balance of payments? That is going to be a substantial headache for Canadian governments in the future. I do not intend to go into the balance of payments question at the moment, except to say this. Rather over $100 million a year is paid out in interest to the United States. Figures for dividends, however, are of importance. In 1953 we paid $233 million; in 1954, $237 million; in 1955, $281 million; in 1956, $326 million. These payments abroad must have an appreciable effect upon our balance of payments. Of course, they add to the debit. As I see it, they are going to cause all sorts of unhappy moments for those in the Department of Finance who are responsible for the whole balance of payments situation.

These difficulties are going to arise in abundance. They are bound to, because the

Americans have invested so extensively in what we might call risk investments. I do not think the risk is as great as it is made out to be because after all the markets were there. Since it is risk capital the profits will necessarily be greater and so when the many enterprises of the Canadian north have been opened up and get going they will be making very high profits. The rate of profit will be very high indeed and much of it will be paid to American investors.

But concentration of capital will mean the freezing out of Canadians, because I think we have to remember that trade is no longer being decided solely by the wishes or the desires of the government. American owned subsidiaries in this country of ours can decide the pattern, no matter what the government of the day has to say about it. Let me quote Mr. Huson again:

> It is therefore disturbing that whole industries in which foreign control is predominant are not allowed an interest in export markets because of the attitude of their parent companies.

Their parent companies are true free enterprisers and they do not want competition. The Canadian subsidiaries are told what they are going to do with their production and they have no alternative.

As Mr. Huson says:

> In several cases the purchase by an American parent of a Canadian firm actively exporting to several markets has brought such exporting to an immediate end.

Once again the domination of a Canadian industry by foreign control, by people outside of this country. I am convinced that no free enterprise government can tackle this problem adequately, even although the Prime Minister goes around shaking a warning finger. The government may tinker with the problem; they may play with it; but I doubt if they will deal effectively with the situation which confronts us. In almost every case where a Canadian subsidiary manufactures the same product at its United States parent it is not allowed to export to United States.

All you have to do is look at our balance of payments to see how necessary it is that we export to the United States, yet the parent companies will not permit those exports and here is one of the largest markets for export which is denied to us. All this has been due to Liberal policies in the past. Here you have real control of industry; here you have real domination; here you have real concentration; here you have that age old prerogative of the harlot—power without responsibility.

Can a government believing in free enterprise clean this mess up? The government has a responsibility in this matter which it will have to shoulder and it will duly suffer at the hands of the Canadian people if it does not do something about it. But what does the Prime Minister say in his speech at Dartmouth:

> "United States companies investing in Canada should not regard Canada as an extension of the United States market."

So what? What does the Prime Minister intend to do about it; what does the Tory government intend to do about it? They have this problem; they have it and now it is theirs. They had better try to get some answers to it. Here is a picture of free enterprise working in the usual conventional way—not the free enterprise of the opium smoker but the free enterprise of actual crude everyday fact.

If new members of parliament are particularly interested in the antisocial effects of free enterprise I suggest they just go down to the parliamentary library and read there the story of how the United States oil companies and chemical companies during the war were dealing with nazi cartels and combinations to their own greater profit when their own people were dying. That is free enterprise. They could study also the story of Canadian free enterprise which is no better and see that when war was declared it refused to produce the materials needed because the level of profit was only 5 per cent. Let the Canadians die so long as we have profits—that is free enterprise.

Let me give you another and more recent illustration. George Humphrey, who was recently secretary of the treasury of the United States and was one of the architects of the anti-inflationary policy of the Eisenhower government left the treasury to become chairman of the National Steel corporation. American steel companies raised the price of steel this year by $6 per ton and this was followed by an investigation by a United States Senate committee. Mr. Humphrey admitted that the $6 per ton increase might be temporarily inflationary. What nonsense. Somebody has said you can no more have temporary inflation than you can have temporary pregnancy. You either have it or you do not.

An hon. Member: The other you can see.

Mr. Stewart (Winnipeg North): He was asked by Senator Kefauver since his plant was operating now at 80 per cent instead of the 98 per cent capacity of early this year if it would not be advisable to lower prices and so stimulate sales, but Mr. Humphrey couldn't risk it. Mr. Humphrey was not at all encouraging. He was told for

instance that wage increases were only $3.50 per ton. Then Mr. Humprey was asked why he had raised the prices by $6 per ton and he had no answer for that. He was told the cost of steel scrap had fallen by $3.87 per ton which would more than make up the increase in wages, but he had no answer for that. Instead he said that the increase of $6 per ton would only mean an increase to the United States consumer of $540 million but that none of them would feel it because it was spread out over such a large number.

This man who in government was all for anti-inflationary policies is now a free enterpriser. He has failed to live up to his duties and responsibilities to the people over whose destinies he once presided in such a high and august office. But as I say he is now all for free enterprise. Then he was asked if his present policy was to quote prices as near to those of competitors as he could get. He agreed that that was so. You see, Mr. Speaker, the free enterprise concept is to charge everything the traffic will bear and damn the consequences. These industrial tycoons never think for a moment about the social effects of their actions upon the country. We have seen that in Canada. There was a committee of parliament which met a few years ago and the president of Canada Packers appeared before that committee. He agreed in reply to questions that his company charged what the traffic would bear. Well of course we cannot expect socially responsible behaviour from these pirates.

Now getting back to Mr. Coyne on page 11 of his report he said:

> The endeavour to maintain stability of prices in conjunction with economic growth, to achieve expansion without inflation, depends for its success on the attitudes and activities of all members of society.

Of course it depends on the attitudes and activities of all members of society but I maintain that capitalistic free enterprise is essentially antisocial and therefore it has got to be controlled for the benefit of all the people. And I say again, it depends upon who is going to do the controlling, the elected representatives of the people or private industry, itself, for its own private profit.

What can be done about it? Well obviously there are some things that even this capitalist free enterprise government might do and we will have to wait to see whether we will get any initiative or ingenuity of action out of it. We have to get some of our eggs out of the American basket. We have to increase our trade in other parts of the world, particularly China, and for the Prime Minister to get up and say we are not prepared to recognize communist China but we are going to trade with them—we want their money but we will not recognize them—is a piece of absurdity. Some day he is going to regret it. The Chinese people are not going to forget in a hurry what the Prime Minister of Canada said recently in this house. There is a great market in China for Canada, not only there but also in the whole of Asia. The Minister of Trade and Commerce (Mr. Churchill) had better make much more determined efforts than he has done up to now to try and secure part of that market.

Simultaneously Canada should be closely studying and negotiating with nations in Europe which are intent on setting up another great free market. Free trade with the United Kingdom is not enough; free trade with the commonwealth is not enough; we should try to join this new market and thus bring the old world in to redress the balance in the new. But those solutions are not going to affect the fundamental problem which confronts us through the domination by foreign industry of this country and the concentration of industrial control.

There is only one answer and that answer is simple, practical and effective. Since less than one out of four United States subsidiaries will offer stock to Canadians, let the government introduce legislation whereby it will purchase 51 per cent control of certain corporations. Then at last we will be able to say we can control our own economy and control our own country. We will not be dependent upon whims of Wall street or any other area for the wellbeing and the welfare of Canadian citizens.

I admit that to expect such drastic action from a free enterprise government—even the pseudo kind of free enterprise government we have—is probably asking too much but that is the only answer, I am convinced, which is going to work. Of course, a formula for payment offers no difficulties. The foreign investor will merely switch, in part, his holdings from equity capital to bonded indebtedness but his investment will be secure. He will get a reasonable return.

Since we are being constantly reassured that the investor only wants to invest in a growing country and, perish the thought—

Mr. Deputy Speaker: I am sorry but I must inform the hon. member that his time has expired.

Mr. Stewart (Winnipeg North): Perhaps I might be allowed to conclude my sentence.

Mr. Deputy Speaker: I will have to ask the consent of the whole house. Do the hon. members wish the hon. member for Winnipeg North to continue?

Some hon. Members: Agreed.

Mr. Stewart (Winnipeg North): Since we are constantly being reassured that the investor only wants to invest in a growing country and perish the thought, has no desire to make a killing at the expense of us natives, his wishes should be honoured.

Mr. Heath Macquarrie (Queens): Mr. Speaker, in the first instance I wish to associate myself with all those who have congratulated the mover and seconder of this address. I do that with the utmost sincerity. I must also congratulate the Speaker and his deputies and commend them for the manner in which they discharge all their important duties. Sir Robert Borden once said of the Speaker that he must be impartial, firm, courteous and, above all, patient, and I think that in the last few weeks we have seen demonstrations of all these essential virtues.

I am afraid, Mr. Speaker, that it is necessary for me to identify myself in a manner somewhat different from that which other hon. members have used. I come from a riding which elects two members, the dual riding of Queen's. I am the junior member. The senior member is the Minister of Fisheries (Mr. MacLean). He is my senior in parliamentary experience, of course, but more surprisingly, if one looks at him, he is my senior in years as well. The hon. member for Halifax (Mr. Morris) spoke about the distinction between the two men bearing the name of his constituency in terms of one being long and the other short. I do not think any great distinction can be drawn between the Minister of Fisheries and myself in this respect, but we might invite comparison in the matter of width and here again, I would defer to him in that regard.

A maiden speech, as one member of this house observed years ago, is always a valuable exercise. To the new member it gives a rare opportunity to experience a deep feeling of humility, an attitude good for the soul as well as for the mind. To the other members of the house it affords an opportunity to show indulgence, one of the greatest virtues of men and especially, it is said, leaders of men.

While I am not lacking in the proper sentiments of humility concerning my own shortcomings as I speak in this historic chamber, I have no need to feel such sentiments about my constituency nor my province. Through the years in previous parliaments my predecessors have doubtless described the glories and beauties of our fair green province and lauded the virtues of its citizens. What has been said in this line is, of course, no exaggeration, for Canada's garden province is known far and wide as one of the beauty spots of the continent. A steadily increasing number of tourists attest to its charm and hospitality.

But to the list of descriptive superlatives which might be applied to Prince Edward Island and its people must be added one more. Unsurpassed we have long been in many things. On June 10 we displayed our unchallenged superiority in something else, the excellence of our political judgment. The call for a new deal was sounded all over Canada, but in our province it was clear, it was unmistakable, it was unanimous. For the first time in history, Prince Edward Island sent a full slate of Conservative members of parliament to Ottawa. We are today the only 100 per cent province. 'Twas not ever thus, Mr. Speaker. Indeed, over the years our province has shown a remarkable fidelity to the Liberal party. In the provincial election of 1935 a neighbour of mine was leading the Liberal party and he was so triumphant in the result, that every single Conservative candidate was defeated. For four years the Prince Edward Island legislature did not include a single opposition member. In the dominion field, too, the Liberal party has been almost as successful down through the years.

What caused the change? Hon. members opposite will doubtless be interested in this question, since they have been indulging in a good many post-mortems lately. Of course, there is never just one reason for political change, but I will touch on one major cause of the total collapse of the Liberal position in my province. On June 10 Prince Edward Island decided to register a strong protest against the treatment it had received at the hands of the party controlling the national government. This protest was primarily on economic matters. We rejoice in the prosperity of this country but we believe that it is in the interests of the whole country that the maritime region be not allowed to fall farther and farther behind.

In Prince Edward Island we are faced with serious financial difficulties. Freight rates are high, there are serious communication and transportation problems. We lack the sources of revenue which are available to other provinces. There is a growing number of abandoned farms. Provincial governments, faced with rising costs of public services, have to meet increasing large budgetary deficits.

To ensure equality of services for all Canadians, we believe that fiscal need and economic capacity must be considered with great attention in the realm of dominion-provincial relations. It is not the fault of the people of Prince Edward Island that there

are no oil deposits there, nor are we to blame if we are not blessed with iron and coal deposits. We do not have Ungavas and Kitimats, but that is not the fault of the people. We lack the ingredients of modern industrialisation. Yet we are Canadians, entitled to the benefits of this great and beautiful country.

We feel that down through the years we have made our contribution in many and, indeed, all phases of Canadian life. But we have waited long. We have been hopeful that our position would be recognized and our peculiar situation appreciated. With what result? Last spring, just at the time when our province was faced with a serious deficit, we heard the interesting news from Ottawa that due to a strange miscalculation Prince Edward Island had, of all things, been overpaid by the dominion treasury and was therefore in debt to the tune of almost $1,250,000.

How did this strange mathematical blunder come about? It came about because our population rise was gravely miscalculated. Why was it miscalculated? It was because many of the young people of our province found it necessary to go to other parts of Canada and so, piling Pelion upon Ossa, we not only lost a great many of our people at the productive and energetic period of their lives, but we had to pay for it on top of that.

When the representatives of the provincial government came to Ottawa to treat for terms, indeed on the eve of an election when one might have thought that such a time was propitious for satisfaction, what did we find? An agreement was made whereby with abundant generosity the government of that time agreed that Prince Edward Island might be given this benefit: they could pay the money back in five equal instalments. I may say that this generous gesture was not overlooked by the people of our province when the opportunity came to express themselves on this particular attitude taken towards Canada's smallest province.

Now our people were definitely influenced and impressed by the program of the Conservative party. They were convinced that here was a truly national policy which would take cognizance of the special problems of the maritimes and of the province of Prince Edward Island and would build, develop and foster a truly national Canadian economy. We have the feeling, and it is a justifiable one, that in such a development program our part of the country will not continue to be a Cinderella in relation to the total Canadian federation. We maritimers—and the de luxe maritimers of Prince Edward Island, if I may use that modest expression—are convinced that much can be done in the way of self help and I quite agree with the Premier of Nova Scotia when he said that the time is opportune for us to attack our own peculiar and pressing problems, but at the same time we require—and I think the economy of Canada generally requires—a great deal more attention to those problems which the advancing technological developments of this country have made pressingly acute for the maritime provinces.

It has often distressed me that when we talk about maritime problems we are often answered in terms of economics. We are told about the distances and the lack of markets and the lack of raw materials. I do not accept these economic arguments as being sufficient. This country of ours was built in defiance not only of geography but of the laws of economics. Through political action and by a union of people with a high dedication of purpose we took an entity which was a contradiction of terms as far as a nation was concerned and built out of it a united country. In other words, the laws of economics did not always prevail; government action and government leadership were necessary. We have only to look at many aspects of the Canadian economy—how we built our railways and establish our tariff policies and so on—to understand clearly that the laws of economics were not always followed in the creation of the Canadian nation. To the members of the Liberal party as they compile their list of reasons for catastrophe I offer them gratis this one particular item as far as the episode in Prince Edward Island is concerned. We look forward to a better deal in our province and we feel that our needs and difficulties will be met.

It is not my intention to speak on issues of a purely provincial nature. This is a national parliament and I think it is our function and duty as members thereof to deal with issues which bear on the whole of the nation. There are, however, matters which are very acute to us and which have a definite bearing on the development of the whole country.

We in Prince Edward Island have problems in the field of agriculture. We have heard a good deal about wheat, fish and poultry and we are interested in all of these things but we have an important crop too, the potato. Now, it is one virtue of our people that we can apparently produce a better potato than any other part of the world as any agriculture market list will show.

Mr. McIvor: No, Ireland.

Mr. Macquarrie: I think our potatoes would compete even with those grown in Ireland. As I go up to the sixth floor I often wish that the purchasing agent for the parliamentary restaurant could be convinced of the priceless virtue of our potato crop. We are looking forward with anticipation and satisfaction to the agricultural program of the party now in power and we feel it is absolutely necessary that this particular commodity, the potato, be given special consideration.

Not long ago I recall buying a bag of potatoes in the spring of the year from a friend of mine. He said he could give me a basket, about half what I wanted. I inquired as to the price and he said it would cost $2.40. Just a year after that, again in the spring, I returned and asked for some more potatoes. This time he was more willing to sell them and he sold me a bag this time and sent his son down to put them in my basement. He charged me 50 cents. It seems to me this illustration demonstrates the sensitivity of the potato market. It underlines the tremendous risk, the almost complete insecurity, which that particular agricultural producer has to undergo. There is no guaranteed price. We appreciate that the western farmer has the problem of selling and delivering his wheat but at least he knows that it will not command five cents a bushel one year and perhaps $3 another year. The potato farmer of Prince Edward Island is faced with uncertainty throughout the entire process.

On motion of Mr. Macquarrie the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): Tomorrow?

Mr. Green: Tomorrow we shall continue with this 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:

PENITENTIARY STATISTICS

Question No. 77—**Mr. Christian:**

1. What does it cost the people of Canada per day (a) to feed a penitentiary inmate; (b) to clothe a penitentiary inmate; (c) to otherwise provide for such inmates?
2. What is the total number of male and female inmates, given separately, in all Canadian penitentiaries according to the latest known figures?
3. What is the total maintenance cost of Canadian penitentiaries inclusive of the cost outlined in question 1 above?

Answer by: **Hon. E. D. Fulton (Minister of Justice):**

1. (a) per diem average cost per capita is 55.44 cents.

(b) average daily per capita cost for the fiscal year 1956-57 was 10.8 cents.

(c) $5.23 per day including rations (fiscal year 1956-57).

2. Population on September 30, 1957:

males	5,336
females	85
total	5,421

3. Total cost for fiscal year 1956-57:

Salaries	$ 6,753,041.71
Retiring allowances	10,525.00
Uniforms	109,386.83
Messing	108,966.00
Printing, stationery and office equipment	22,065.15
Other administrative charges	62,597.87
Maintenance of inmates	1,654,104.55
Discharge expenses	79,851.70
Operating expenses	962,866.55
Maintenance of fixed assets	269,746.70
Total operating costs	$10,033,152.09

NARAMATA, B.C., IRRIGATION SYSTEM

Question No. 79—**Mr. Christian:**

1. Has the provincial government of British Columbia requested financial assistance from the federal government in connection with the rehabilitation of the irrigation and domestic water system at Naramata, British Columbia?
2. If so, what action has been or will be taken by the federal government in this connection?

Answer by: **Hon. D. S. Harkness (Minister of Agriculture):**

1. Yes, in a letter received from the premier of British Columbia dated July 22, 1957.

2. No action has been taken or is contemplated as the federal government has never been involved in this project because it is one coming entirely within the jurisdiction of the provincial government.

HOG PRODUCTION AND EXPORTS

Question No. 117—**Mr. Smith (Battle River-Camrose):**

1. How many hogs were raised in each of the 10 provinces of Canada in 1956?
2. How many hogs were exported from each of the 10 provinces in 1956, and to what provinces were these shipped?
3. How many hogs were exported from Canada in 1956, and to what countries were these hogs shipped and how many to each country?
4. What was the average price received per hundredweight for (a) all grade A hogs exported from Canada; (b) all grade B1 hogs exported from Canada?

Answer by: **Hon. D. S. Harkness (Minister of Agriculture):**

1. The number of hogs raised is not available. Following are the numbers of market hogs graded in 1956, according to province of origin:

Gradings by origin	
B.C.	42,088
Alta.	1,571,929
Sask.	576,804
Man.	387,908
Ont.	2,196,306
Que.	1,060,090
N.B.	35,810
N.S.	15,763
P.E.I.	73,000
Nfld.	nil
Canada	5,959,605

2. Receipts at public stockyards and shipments direct from country points to packing plants, according to province of origin, 1956:

From:—	B.C.	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	Maritimes	Total
Arrivals in:								
British Columbia	22,327	317,187	1,550	—	—	—	—	341,064
Alberta	19,552	1,166,121	3,717	—	—	—	—	1,189,390
Saskatchewan	—	10,445	299,756	—	—	—	—	310,201
Manitoba	—	57,746	271,707	385,964	255	—	—	715,672
Ontario	209	7,643	74	1,944	2,018,668	3,658	—	2,032,196
Quebec	—	12,694	—	—	177,383	1,056,432	48	1,246,557
Maritimes	—	—	—	—	—	—	124,525	124,525
Total	42,088	1,571,836	576,804	387,908	2,196,306	1,060,090	124,573	5,959,605

3.

	Exports*
U.S.	668
Venezuela	113
Mexico	470
Jamaica	3
St. Pierre	405
*Source—Trade of Canada	1,659

4. Not available.

AGRICULTURAL PRICES SUPPORT BOARD—OPERATIONAL COSTS

Question No. 128—**Mr. Robichaud:**

1. What was the net cost of operations of the agricultural prices support board up to September 30, 1957?

2. Under its price support program what was the net cost to the board up to September 30, 1957, attributed to the following agricultural products: (a) shell eggs; (b) butter; (c) apples; (d) potatoes; (e) hogs and cattle?

Answer by: **Hon. D. S. Harkness (Minister of Agriculture):**

1. The net cost of operations of the agricultural prices support board on an accurate accrued account basis is not available at September 30, 1957, although it is known there will be losses on some of the programs in operation. According to the annual report of the board the net cost of operations up to March 31, 1957, totalled $94,084,716.91.

2. Up to March 31, 1957, as reported in the annual report of the agricultural prices support board, the net cost attributed to the following agricultural products is as follows:

(a) Shell eggs, $728,122.99.
(b) Butter, $13,189,536.02.
(c) Apples, $6,889,902.45.
(d) Potatoes, $2,041,006.38.
(e) Hogs and cattle, $70,031,909.93.

TRADE MISSION TO U.K.—PERSONNEL

Question No. 130—**Mr. L'Heureux:**

What are the names of the persons who will accompany the hon. Minister of Trade and Commerce on his mission to the United Kingdom this month?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

Canadian trade mission to the United Kingdom

The following have accepted invitations to be members of the Canadian trade mission to the United Kingdom, to be led by the Hon. Gordon Churchill:

James S. Duncan, chairman, Hydro-Electric Power Commission of Ontario, Toronto, and deputy leader of the mission;

Robert J. Askin, vice-president, Abitibi Power and Paper Company Limited, Toronto;

Questions

A. G. Bailey, president, Bailey-Selburn Oil and Gas Limited, Calgary;

Lt.-Col. Hervé Baribeau, president, Baribeau & Son, Levis, Que.;

John L. Bonus, general manager, Canadian Association of British Manufacturers and Agencies, Toronto;

Lawrence C. Bonnycastle, vice-president and managing-director, Canadian Corporate Management Company Limited, Toronto;

Leonard W. Brockington, president, Odeon Theatres (Canada) Ltd., Toronto;

E. A. Bromley, vice-president, Canadian National Railways, Montreal;

J. Arthur Clark, president, Maritime Asphalt Products Ltd., Summerside, P.E.I.;

H. A. Cresswell, vice-president, Canada Steamship Lines Ltd., Toronto;

Hugh Crombie, vice-president, Dominion Engineering Co. Ltd., Montreal;

Robert Drummond, executive vice-president, Angus Robertson Ltd., Toronto;

M. A. East, president, John East Iron Works Limited, Saskatoon;

S. S. Fletcher, vice-president (merchandising), Robert Simpson Company Limited, Toronto;

Allan D. Foulis, president and managing director, Foulis Engineering Sales Limited, Halifax;

Kenneth F. Fraser, vice-president, B.C. Packers Limited, Vancouver;

Geoffrey Abbott Gaherty, president, Montreal Engineering Co. Ltd., Montreal;

R. W. Ganong, vice-president and manager, Ganong Brothers Limited, St. Stephen, N.B.;

B. B. Gattie, president, British Columbia Lumber Manufacturers' Assn., Vancouver;

Crawford Gordon, Jr., president and general manager, A. V. Roe (Canada) Ltd., Toronto;

R. E. Heartz, president, Shawinigan Engineering Co. Limited, Montreal;

Bruce Hill, president, E.T.F. Tools Limited, St. Catharines, Ont., and chairman, Canada-U.K. committee, Canadian Chamber of Commerce;

Gordon W. Hunter, assistant deputy minister, Department of Defence Production, Ottawa;

W. L. Hutchison, vice-president, Moffats Limited. Weston, Ont.;

J. R. Jenkins, senior merchandise director, T. Eaton Co. Ltd., Toronto;

J. G. Johnston, president, Johnston Everson and Charlesworth Ltd., Toronto;

John D. Leitch, president, Toronto Elevators Limited, Toronto;

Harold V. Lush, president and general manager, Supreme Aluminum Industries Limited, Toronto, and president, Canadian Manufacturers' Assn.;

Frederick C. Mannix, president, Mannix Limited, Calgary;

Ian F. McRae, vice-president, Canadian General Electric Co. Ltd., Toronto;

H. P. Miller, manager, purchases and stores department, Canadian Pacific Railway Company Ltd., Montreal;

Trevor F. Moore, vice-president, Imperial Oil Limited, Toronto;

F. M. A. Noblet, vice-president, International Nickel Co. Ltd., New York;

James Patterson, president, Interprovincial Farm Union Council, Winnipeg;

William Perlin, managing director, I. F. Perlin and Company, St. John's, Nfld.;

Andre Piche, vice-president and general manager, Reynolds Aluminum Company of Canada Limited, Cap-de-la Madeleine, Que.;

Col. Roger Roberge, Ottawa;

Frederick G. Rutley, president, The Foundation Company of Canada Ltd., Montreal;

George P. Schollie, vice-president, Canadian Labour Congress, Montreal;

Henry Sissons, assistant general manager, Hydro-Electric Power Commission of Ontario, Toronto;

Wallace C. Smith, vice-president, Lunenburg Sea Products Ltd., Lunenburg;

Donald M. Stephens, chairman and general manager, Manitoba Hydro Electric Board, Winnipeg;

E. B. Stocker, president, Canadian Importers & Traders Association, Montreal;

Humphrey B. Style, president, John Inglis Company Ltd., Toronto;

John H. F. Turner, O.B.E., assistant general manager, Bank of Montreal, Montreal;

Eric J. Wain, general purchasing agent, Canadian Industries Limited, Montreal;

Victor C. Wansbrough, vice-president and managing director, Canadian Metal Mining Association, Toronto;

J. B. White, vice-president and general manager, Aluminum Company of Canada, Limited, Montreal;

David M. Woods, president, Gordon Mackay and Company Limited, Toronto.

Officials attached to the mission

Roger R. Parlour, Department of Trade and Commerce, secretary;

R. Anderson, Department of Trade and Commerce, assistant secretary;

Peter Stursberg, press officer.

BROADCASTING COMMISSION RECOMMENDATIONS

Question No. 136—**Mr. Benidickson:**

Referring to page 223 of the report of the royal commission on broadcasting, 1957:

1. What were the 51 locations on the first plan referred to?

2. Are plans being worked on for the construction of any of the 27 low power repeater stations for television transmission in centres of 5,000 population or more as recommended by the commissioners, and if so, is such planning being done for such a station in the districts of (a) Kenora; (b) Rainy River?

Answer by: **Hon. G. C. Nowlan (Minister of National Revenue):**

The Canadian Broadcasting Corporation advises:

1. The submitted plan referred to did not include specific locations, since it was known that future needs would vary depending on a number of factors, including the establishment of privately owned stations.

2. No plans are being worked on for the construction of specific repeater stations in specific areas.

DESIGN OF STAMPS, 1958

Question No. 139—**Mr. McCleave:**

1. Has the Post Office Department decided upon the design of stamps to be issued in 1958?

2. If so, what are the designs and denominations?

Answer by: **Hon. W. M. Hamilton (Postmaster General):**

1. The subjects have been selected but not the designs in all cases.

2. The subjects to be illustrated are:

Contribution of the press to the nation's development, international geophysical year, centennial of British Columbia, Canadian Nurses' Association, three hundred and fiftieth anniversary of the founding of Quebec by Samuel de Champlain, the explorer La Verendrye, centennial of the discovery of oil in Canada, bicentennial of the convening in Halifax of the first elected assembly to meet in what is now Canada. The denominations of all of the above listed new stamps will be 5 cents.

PORK IMPORTS

Question No. 150—**Mr. Smith (Battle River-Camrose):**

1. How many pounds of pork products were imported into Canada during each of the years, 1954, 1955, 1956 and 1957 to date?

2. From what country or countries did these products come?

3. What was the average price per pound paid for these products?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1, 2 and 3. Identifiable imports of pork products during the calendar years 1954, 1955, 1956 and the period January 1 to July 31, 1957 (latest figures available) were as follows:—

Questions

Item	—	Country	Lb.	Value	Average price
				$	cts.
Pork, fresh..... (Item 2253)	Year 1954.....	United Kingdom...	850	213	25
		Australia.....	121,824	36,712	30
		Ireland.....	1,191,048	555,962	47
		Totals.....	1,313,722	592,887	45
	Year 1955.....	United Kingdom...	3,244	898	28
		Australia.....	78,205	27,965	36
		Germany West.....	441	110	25
		Totals.....	81,890	28,973	35
	Year 1956.....	United Kingdom...	1,400	516	37
		Australia.....	70,038	29,605	42
		Alaska.....	585	350	60
		Totals.....	72,023	30,471	42
	Jan. 1st to July 31st 1957...	Australia.....	52,260	22,881	44
		New Zealand.....	51,867	16,310	31
		Totals.....	104,127	39,191	38
Bacon, hams, shoulders and other pork, cured, other than canned. (Item 2261)	Year 1954.....	United Kingdom...	29,361	14,647	50
		Ireland.....	80,054	30,042	38
		United States.....	58,751	31,976	54
		Totals.....	168,166	76,665	46
	Year 1955.....	United Kingdom...	4,908	1,975	40
		Germany West.....	375	140	37
		Alaska.....	203	128	63
		United States.....	29,121	24,295	83
		Totals.....	34,607	26,538	77
	Year 1956.....	United Kingdom...	1,550	736	48
		Alaska.....	814	482	59
		United States.....	36,141	29,001	80
		Totals.....	38,505	30,219	79
	Jan. 1st to July 31st 1957...	United States.....	206,358	99,246	48
		Totals.....	206,358	99,246	48

APPENDIX "A"

ANSWERS TO QUESTIONS ASKED BY MEMBERS FOR ROSTHERN AND ASSINIBOIA

Question No. 1—**Mr. Tucker:**

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?

Answer:

The price at which wheat is sold to the mills for domestic purposes is the same as the price basis for export, with the exception that on flour sales to specific areas (excluding the United Kingdom, Europe, the United States and its territories and possessions) an adjustment in the purchase price of wheat is granted by the board, to enable Canadian mills to compete with suppliers from other countries in specific flour markets.

Question No. 2—**Mr. Tucker:**

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 the minister look into the question of why the basing of that price at Fort William does not, in effect, constitute an element of subsidization by the western farmers to the consumer or the miller?

Answer:

This question relates to a pricing policy adopted by the wheat board some time ago. Prior to February 1954, the board had been able to quote identical prices for wheat in store Fort William/Port Arthur, and in store Pacific coast ports. However, in February 1954, in the light of conditions existing at that time the board adopted a policy of quoting separate prices for wheat in store Pacific coast ports, in store Fort William/Port Arthur, and in store Churchill. The policy was adopted in order to make board wheat competitive in overseas markets irrespective of the port of shipment. The policy was made necessary by variations in forwarding costs, including ocean freight rates, which tended to make one or another of the Canadian export routes more attractive to overseas buyers.

A policy of quoting different prices for wheat in store Vancouver and in store the lakehead is utilized when the differences in the costs of laying down Canadian wheat in overseas markets necessitates such action. For the balance of the crop year, 1953-54, the board asking prices for wheat ex Pacific coast ports ranged higher than its asking prices for wheat in store Fort William/Port Arthur; the difference was as much as 8 cents per bushel. The spread gradually narrowed in the crop year 1954-55 and by February 1955, board asking prices for wheat in store Vancouver and in store Fort William/Port Arthur were virtually the same. For limited periods the Fort William price was slightly higher than the Vancouver price. In the crop year 1955-56 there was not a great deal of variation between board asking prices for wheat in store Vancouver and in store the lakehead. At times the lakehead price exceeded the Vancouver price by a few cents a bushel. Throughout the crop year 1956-57 any marked difference between board asking prices for wheat in store Vancouver, and in store the lakehead did not occur until May of 1957 when it was again necessary for the board to quote higher asking prices for Pacific coast ports.

At the start of the present crop year the asking prices were about 5 cents per bushel higher at the Pacific coast and only in the last 60 days has the difference widened out to the 11 cents referred to in the question.

The variations in the board's asking prices basis in store the lakehead or in store Vancouver has been brought about by external factors which have affected the position intermittently in the past three and a half years. Normally it is a position which ordinarily corrects itself. The normal position is for board asking prices in store Vancouver, and in store the lakehead to be identical.

In the opinion of the Canadian wheat board it would not be advisable to change the basis of its selling to mills in all parts of Canada to meet what are considered to be temporary price situations, particularly since flour mills have established locations throughout Canada related to freight rates applicable to wheat and flour and the price at which wheat can be acquired basis in store Fort William/Port Arthur.

The board's asking price for wheat basis in store Fort William/Port Arthur is the basic price for wheat. It is this price which governs the distribution of the major part of Canadian wheat supplies, and the basis which must govern export flour prices if all mills

in Canada, regardless of their location, are to have an equal opportunity of competing in foreign markets. It is also the basic price recognized by the international wheat agreement for the purpose of the administration of that agreement. It would not seem desirable at the present time to alter the price basis on which wheat is supplied to the milling industry throughout Canada upon a temporary and abnormal situation which has arisen at the Pacific coast as a result of variations in the laid down cost of wheat, particularly in the United Kingdom and European markets. Being temporary and abnormal the wheat board should be in a position to adjust its pricing policies without regard to domestic considerations.

Question No. 3—**Mr. Argue:**

Why is the price to millers based upon the lower Fort William price instead of the higher Vancouver price?

Answer: See No. 2.

APPENDIX "B"

ANSWER TO QUESTION ASKED BY MEMBER FOR PORT ARTHUR

On Friday last the hon. member for Port Arthur asked whether I had any recent information on the effectiveness of poisons and plans to use them against the lamprey eel in inland waters, especially in lake Superior.

I have now seen the original press release of November 1, 1957, issued by the United States fish and wildlife service which gave rise to the reports to which he referred.

As the hon. member is aware, prior to the formation of the great lakes fishery commission in the spring of 1956, a great deal of more or less independent research had been carried out on the life history and control of the parasitic sea lamprey in the great lakes, that in United States spearheaded by the United States fish and wildlife service and that in Canada conducted by the fisheries research board of Canada and the province of Ontario. Both groups had investigated the use of poisons to kill the larval lampreys or ammocoetes since this larval period spent in the mud of the river bottoms constituted 4 to 6 years of the total life. The adult stage, lasting about 18 months, was being controlled by electrical barriers placed in the rivers to intercept and kill the spawning runs.

In 1956 the great lakes fishery commission decided that its United States agent, the United States fish and wildlife service, which had already established facilities and tested about 6,000 chemicals, should continue to stress that phase. The present tests reported by the United States fish and wildlife service are thus all part of the composite program of the great lakes fishery commission to which Canada contributes 31 per cent of the funds.

Of the 6,000 chemicals tested, five or six were found to be specific for lamprey larvae in low dilutions but did not affect other fish except in much greater strength. These six have been rigidly checked in artificial raceways using caged fish as controls. Tests have also been run on deer and cattle with negative results.

On October 29, the first natural stream test was made. One chemical, dowlap (3-4-6-trichloro-2-nitrophenol) was distributed by using a precision mechanical feeder at a rate of 30 parts per million into a two mile stretch of Little Billie's (Elliot) creek emptying into Duncan bay on lake Huron near Cheboygan, Michigan. By noon on October 31 it was demonstrated by the caged control lamprey that a 92 per cent kill had resulted. The effect on trout and other game fish in this excellent fishing stream had been negligible. Tens of thousands of larval lamprey of all sizes were dead.

This is the first of the actual tests in natural streams and more are now being run. If these are equally successful, we will have a method of controlling four or five years of the lampreys' six or seven year life. The electric barriers will control the adult stage. The results are extremely encouraging but not entirely proven. We are certainly hoping for continued success.

HOUSE OF COMMONS

Thursday, November 14, 1957

The house met at eleven o'clock.

POWER

GOVERNMENT POLICY RESPECTING NATIONAL DEVELOPMENT

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish to make a statement at this time in regard to the power situation in general, and in particular the attitude of this government toward the situation in Nova Scotia and New Brunswick. I wish to inform the house that an agreement has been reached with the premiers of Nova Scotia and New Brunswick on a program for the development of power which I believe will have a profoundly beneficial effect on the industrial development of those provinces.

It has been the declared policy of this government, both before and since it assumed office, to take action to improve the economic well-being of those parts of Canada which, through no fault of their own, have not fully shared in the economic growth of this country in recent years. The Atlantic provinces are among these areas. One of the factors that has been to their disadvantage in attracting industrial development has been the fact that power for industrial use has not been available in as large a quantity or at as low a price as in other parts of Canada more favoured in this respect. Among the most important considerations of industry in selecting a location in which it will establish is the availability of a sure supply of power and at reasonably low cost.

It seems only fair and equitable that the government of Canada should take measures to assist in meeting this basic requirement of the maritime provinces for industrial growth, particularly since it is possible to do so on a basis that is largely self-financing and self-liquidating. The program that has been discussed with Premier Flemming and Premier Stanfield, and which will be implemented by the government of Canada in agreement with the governments of those two provinces, is a threefold one. As forecast in Her Majesty's speech from the throne, the federal government will provide, on a basis of full repayment by the province of New Brunswick, the necessary financing for the Beechwood hydroelectric project now nearing completion.

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This will involve a loan of approximately $29 million. The terms of this loan have been the subject of discussion between the Minister of Finance and the provincial treasurer of New Brunswick, who have reached complete agreement. Subject to the approval of parliament, which we will invite before the end of this session, the federal government will lend to the government of New Brunswick the full cost of construction of the Beechwood plant, but not in excess of $30 million, at 4⅜ per cent per annum. This is the regular current lending rate to crown corporations such as the St. Lawrence seaway authority, and is based on our own borrowing rate plus a service charge of approximately ⅛ of 1 per cent. The loan will be for a term of eight years, repayable in equal annual instalments of combined principal and interest of approximately $4,500,000.

The Beechwood plant will be of great value in making available a substantial block of relatively low cost power, and also in providing that combination of hydro and thermal power that is so important in any well balanced electrical system.

The second aspect of the government's program is the construction of the thermal power plants that will provide the backbone of the future power supply of the entire area of New Brunswick and Nova Scotia. With the economic development that can be expected following the assurance that lower cost power will be available in large amounts, there will undoubtedly be a very considerable growth in the power requirements of these two provinces. The future possibilities of hydroelectric development in these provinces are limited, and most of the growing need will be met through power from steam.

It has been agreed that the necessary plants will be built by the federal government and sold to the provinces. In order to improve the efficiency of the whole power supply the federal government will also construct the interconnection lines that are needed in order that the two provinces may pool their power resources. This will introduce very substantial economies and will in itself reduce the cost of power significantly. Both the plants and the lines will be sold to the power commissions of the two provinces with payment over a long term at the same interest rate as provided for the Beechwood project.

Hon. members will realize that the availability of funds for both the Beechwood plant and for the thermal power plants and

interconnection lines at the borrowing cost of the federal government will in itself reduce the cost of power in these provinces. However, it is apparent that the reduction achieved through lower financing costs will not reduce the cost of power for industry to the extent necessary to put the two provinces on a comparable basis with more favoured provinces in our country. Notwithstanding the availability of substantial supplies of coal in Nova Scotia and New Brunswick, the situation at the present time is that coal for power in the maritime provinces costs more than coal brought in from the United States for the production of power in Ontario.

While central Canada has, of course, advantages in addition to this one in attracting industry, it has seemed to the government that if the maritime provinces are to be given a fair opportunity to attract industrial growth they must be able to secure coal for the production of power for industrial use at a price that does not exceed the price of United States coal in central Canada. The government has therefore decided that it will provide a subvention on coal used for the production of power in the provinces of New Brunswick and Nova Scotia to the extent that is necessary to equalize the cost of that coal with the cost of coal used for the same purposes in Ontario.

I need not emphasize that the subvention on coal will have a double value. It will reduce the cost of the power that is produced from the coal, and that will help greatly. It will also do much to ensure that the coal produced in the maritime provinces continues to be used for the growing power demand of those two provinces and will not be replaced by oil brought in from foreign fields.

This program, I may add, carries the full and enthusiastic support of the premiers of Nova Scotia and New Brunswick and will, I believe, have a lasting and beneficial effect on the economic growth and welfare of the Atlantic region.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I ask the Prime Minister one question following his important and I think interesting announcement this morning, which I hope will benefit the maritime provinces. Will he discuss with the province of Saskatchewan in connection with the South Saskatchewan power project similar assistance in the financing of that project? I understand this would help to lower the cost of financing.

Mr. Diefenbaker: Mr. Speaker, a meeting has been arranged with the premier of Saskatchewan and other representatives immediately following the dominion-provincial conference, and I may add that the basic concept and the spirit of this policy will apply wherever a case by a provincial government is made out.

Right Hon. L. S. St. Laurent (Leader of the Opposition): May I put just one question, Mr. Speaker. I am sure everyone will rejoice to find that the project which had been suggested well over a year ago now, that there might be established power plants that would be turned over at cost—or in that project it was suggested that it was the output which should be turned over at cost—to the provinces, with an integrated distribution system for the two provinces of Nova Scotia and New Brunswick, is now going to be realized, though the present government has found it necessary, in order to make it possible to produce power which would be competitive with that available even from fuel in central Canada, to provide a subsidy on the coal so used. That would probably have the double-barrelled effect of aiding the coal industry as well as providing more attractive power for industrial purposes. In connection with the whole matter, now that the arrangements have been concluded, is there still any objection by the government to producing the report of the Montreal Engineering Company, which had been asked to study and report on the whole situation?

Mr. Diefenbaker: Mr. Speaker, I thank the right hon. gentleman for his observation and for having distinguished between the plan we produced and the one we believed to be impractical and which was placed before the people during the election by the former government. As far as the question of the right hon. gentleman is concerned, I think the Minister of Northern Affairs and National Resources is in a position to answer it.

An hon. Member: A distinction is not a difference.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I am pleased to table the report by the Montreal Engineering Company in regard to the requirements for power plants and transmission lines in Nova Scotia and New Brunswick.

In doing so I should like to make it clear that the report is in the nature of professional engineering advice on a specific range of problems. In providing such advice, which I think has been very competently given, the engineers of the company had to examine to some extent or make assumptions on certain matters not strictly of an engineering character. In relation to these there can well be differences of view, without affecting the

accuracy of the technical advice. Unless this is understood there could be misinterpretation of some aspects of the report.

For instance, the Montreal Engineering Company projection of future demands excludes future requirements of pulp and paper companies and any demands which might be created by a large electro-smelting operation. This does not mean that the Montreal Engineering Company or any government is of the view that these developments will not come about. It is rather because if one had to make a firm determination by August, 1957, of the future demands, it was logical to predict industrial demands, as is done by commercial enterprises, only when a firm contract is placed.

Also included in the report is an assessment of coal reserves in certain maritime areas. This is a matter on which there is a good deal of difference of view, even, I believe, among competent engineers. The government does not necessarily subscribe to the assessment made in particular cases.

It was the view of the two provincial governments that it would be best to conclude the arrangements the Prime Minister has just announced before tabling this report. It was as a courtesy to the provinces, therefore, that it has not been tabled before this.

Hon. George C. Marler (St. Antoine-Westmount): May I ask the minister a question with regard to the report he has just tabled. Are we to understand from his statement that the government disassociates itself from the recommendations of the report?

Mr. Hamilton (Qu'Appelle): My statement was absolutely clear on that point.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I might ask the Prime Minister whether the government has initiated any conversations with the governments of the other two Atlantic provinces with a view to the extension of those policies which we all welcome—at least the policy regarding the thermal plants—to those other two provinces.

Mr. Diefenbaker: Mr. Speaker, as I pointed out at the conclusion of my statement, we were approached by the two provinces in question, and it was with respect to those two provinces that the statement was made by the government. Any other provincial government which chooses to make representations will receive the consideration which the case it makes out deserves.

Mr. Pickersgill: A supplementary question, Mr. Speaker. Do I understand, then, that the federal government intends to take no initiative in this matter?

Mr. Diefenbaker: Mr. Speaker, after all, each of the provinces has to determine whether or not it desires to make any application to the federal government under this policy. It is not for us to press upon any province a policy which, in its way, is peculiarly a matter of provincial responsibility.

Hon. Jean Lesage (Montmagny-L'Islet): A question on the same subject, Mr. Speaker. May I ask the Prime Minister what will be the role of the northern Canada power commission in the implementation of the policy he has just announced?

Mr. Diefenbaker: Mr. Speaker, when the matter is brought up for implementation through legislation a very full statement in that connection will be made. The role of the crown company in question will be such as may be necessary in the implementation of the general plan.

Mr. Lesage: Mr. Speaker, may I ask the Minister of Northern Affairs and National Resources if an agreement has been reached with the premiers of Nova Scotia and New Brunswick as to the location of the first thermal plants to be built under the agreements which were announced by the Prime Minister?

Mr. Hamilton (Qu'Appelle): Mr. Speaker, the present state of negotiations among the governments concerned is that the general principles have been arrived at as announced by the Prime Minister, but I do understand that the location of the first plant has been agreed upon.

Mr. Lesage: As to this agreement on principles, which has been reached by the Prime Minister and the premiers, is there anything in writing or any exchange of correspondence confirming the agreement?

Mr. Hamilton (Qu'Appelle): Mr. Speaker, I think I can handle that question. The agreement is now presently being worked upon by the officials of the governments of the provinces of New Brunswick and Nova Scotia and the federal government. As a matter of fact I think they are meeting in Ottawa today.

Mr. Lesage: Is it the intention of the government to table that agreement when it is completed?

Mr. Hamilton (Qu'Appelle): Certainly, Mr. Speaker, we would be glad to table it.

Mr. Pickersgill: A supplementary question, Mr. Speaker. I wish to ask the Minister of Northern Affairs and National Resources if in line with the Prime Minister's answer to me the federal government waited until the

government of Saskatchewan approached it about the Saskatchewan dam, since this matter is primarily within provincial jurisdiction.

Some hon. Members: Answer.

Mr. Sinclair: It was a simple question.

Mr. Martin (Essex East): Was there any interference from the province of Saskatchewan?

Mr. Hamilton (Qu'Appelle): Mr. Speaker, I am very sorry but I did not get the point of the hon. member's question.

Mr. Pickersgill: I think perhaps I can clarify it. As I understood the Prime Minister, he said he would wait until the other two Atlantic provinces approached him before any initiative could be taken in power policy. I wondered if the same policy was being applied in the province of Saskatchewan with respect to the dam?

Mr. Hamilton (Qu'Appelle): Mr. Speaker, I can certainly assure the hon. member that the government of Saskatchewan is always very interested in what is going on out there.

Mr. Pickersgill: That is not an answer.

Mr. Marler: Another evasion.

[*Later:*]

Right Hon. J. G. Gardiner (Melville): In view of the answer given a few moments ago by the Minister of Northern Affairs and National Resources with regard to what he suggested might be the attitude of the provincial government of Saskatchewan toward the South Saskatchewan river dam, might I ask him whether he still holds the same opinion with regard to that matter as he did when he was leader of the Conservative party in Saskatchewan? Incidentally, that opinion was the same as I had announced in this house on one occasion, so I cannot complain about it very much if he does. He said if they formed a government provincially his government would build the South Saskatchewan river dam. Does he still hold that point of view, that the Saskatchewan government should build that dam?

Mr. Brooks: That is not a question; that is a political speech.

Mr. Hamilton (Qu'Appelle): My belief now is the same as it was then, that the dam is economically feasible, that any government could build it and it could be made economic in all aspects. I still hold the same opinion.

[*Later:*]

Mr. W. H. McMillan (Welland): I should like to direct a question to the Minister of Northern Affairs and National Resources, of which I have not given him notice. The Hydro-Electric Power Commission of Ontario pays more than 4⅜ per cent at this time for money for capital expansion. I believe it is something over 5 per cent. My question is, would this commission receive a lower interest rate on borrowed money if the Ontario government made the same application to this government in respect of capital expenditures as New Brunswick and Nova Scotia have done?

Mr. Hamilton (Qu'Appelle): I think the statement the Prime Minister made on the power situation in the Atlantic provinces answers the question.

Mr. Marler: It would be nice if the minister would answer a question occasionally.

[*Later:*]

Mr. Lesage: Mr. Speaker, I want to see that I understood correctly the answer of the Minister of Northern Affairs and National Resources to the question asked by the hon. member for Welland.

Mr. Hamilton (Qu'Appelle): I answered it.

Mr. Lesage: Yes, but I want to be sure I understood it correctly. I will ask a supplementary question. Do I understand that if the government of Quebec wishes to borrow money for its hydroelectric developments in Quebec, from the federal government, it can get it at the rates mentioned by the Prime Minister?

Mr. Hamilton (Qu'Appelle): In answer to the hon. member for Welland (Mr. McMillan) I said that as to the question he asked in relation to Ontario or Quebec or any other province, the answer could be found by a careful reading of the Prime Minister's statement of policy.

AIR TRANSPORT

CANADIAN PACIFIC AIRLINES—APPLICATION TO FLY MONTREAL-VANCOUVER ROUTE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. Can the minister say whether the application made by Canadian Pacific Airlines for permission to fly the Montreal-Vancouver route has the blessing of the government?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, having been in the house a long time I am sure the hon. member knows that it would be completely wrong for the government to indicate whether any particular application has or has not the blessing of the government before it has been considered by the air transport board.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Has the government given any study to the matter of determining whether or not in its view the volume of air traffic in Canada would now warrant two trans-Canada air lines?

Mr. Hees: Yes, Mr. Speaker; I, together with the officials of my department and air line personnel, have been making a thorough study of the whole question almost from the time this government took office, and I expect to be expressing some views on this matter in the house before long.

[*Later:*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Transport a question arising out of his statement that since coming into office he has discussed the question of air routes across Canada with officials of air line companies. Does this mean that he discussed this question with officials of Canadian Pacific Airlines?

Mr. Hees: In a general way, yes, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): May I ask a supplementary question. If the minister has discussed this matter with the officials of Canadian Pacific Airlines, am I not entitled to an answer to my first question, as to whether C.P.A. has the government's blessing in the application that has been made?

An hon. Member: You have already had your answer to that question.

Mr. Hees: When on an inspection tour this summer of harbours and other things which come under the jurisdiction of my department, I met the president of Canadian Pacific Airlines in Victoria and had dinner with him, and on that occasion he outlined the views his company had about international operations, national operations and matters pertaining to the air industry in general. I listened with great interest to what that gentleman had to say on that occasion and on other occasions. I have learned a great deal from what he has told me. However, I did not express to him at any time my opinion or the opinion of the government as to what our attitude might be with regard to the specific matter in question.

Mr. Coldwell: I understand the discussions were unofficial, that they were not departmental discussions.

An hon. Member: Social discussions.

Mr. Hees: The discussions were completely unofficial. It was a social occasion, and I met Mr. McConachie with mutual friends at a very pleasant dinner in Victoria. These matters on that occasion and on other occasions were discussed completely unofficially.

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, might I ask a supplementary question of the minister. Has he received from Trans-Canada Air Lines any word approving the application of Canadian Pacific Airlines?

Mr. Hees: Mr. Speaker, I am really amazed at the lack of knowledge displayed by a man who has been so recently in charge of this department. He knows perfectly well that any application made by Canadian Pacific Airlines or any other air line has nothing to do with the officials of T.C.A.

Mr. Marler: Mr. Speaker, that is not the question I put to the Minister of Transport. I know what went on in the department in my own time, but I do not know what goes on at the present time. That is the reason I asked the minister if Trans-Canada Air Lines were backing the application of C.P.A.

Mr. Hees: As I said before, T.C.A. has nothing whatsoever to do with the application of any other air line.

Mr. Coldwell: May I ask the minister a question. Has he discussed the matter with either the president or any officials of Trans-Canada Air Lines?

Mr. Hees: Mr. Speaker, the answer is no.

Mr. Knowles (Winnipeg North Centre): He just discussed it with C.P.A., not with T.C.A.

Mr. Power: Mr. Speaker, may I ask the Minister of Transport if he is aware of the fact that when an application is made before the air transport board, all other interested parties are also aware of it?

Mr. Hees: That is, of course, a matter for the air transport board. My answer was that T.C.A. had nothing to do with the application made by any other air line. If T.C.A. wishes to appear before the board when a board hearing is held, and opposes an application, they have a perfect right to do so, as has any other air line. But no air line has anything to do with the making of an application by any other air line.

FREIGHT RATES

RAPE SEED—APPEAL FROM DECISION OF TRANSPORT BOARD

On the orders of the day:

Mr. W. M. Johnson (Kindersley): Mr. Speaker, may I direct a question to the

Prime Minister. Has an appeal been made to the government from the decision of the board of transport commissioners to grant the exorbitant freight rate of 70 cents a hundred on rape seed shipments? If so, can the Prime Minister inform the house if the decision to grant the appeal will be made known at an early date, so farmers can soon arrange for their spring seed supplies?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I must thank the hon. member for his courtesy in giving me notice of his intention to ask this question, but unfortunately I received the notice only a couple of minutes ago. In the interval I made an inquiry, and the information I have is that no appeal has been made as yet. I am not saying that further inquiry might not reveal that one had been made, but there is nothing either in the files of the board of transport commissioners or in the hands of the clerk of the privy council to indicate that any such appeal has been made.

THE CANADIAN ECONOMY

ROYAL COMMISSION ON ENERGY—EXPORTS OF NATURAL GAS TO U.S.

On the orders of the day:

Mr. Louis Lewry (Moose Jaw-Lake Centre): Mr. Speaker, I would like to direct a question to the Prime Minister. Can the Prime Minister indicate whether a report from Washington in this morning's *Globe and Mail* is correct, to the effect that the newly appointed royal commission on fuel resources will immediately deal with the export of natural gas from Canada and will enable gas to be exported within three to six months, and that Mr. N. J. McNeill, general counsel of Trans-Canada Pipe Lines Limited, has every confidence that Trans-Canada will be able to persuade the commission to sever the Trans-Canada case from its general study of Canadian fuels?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, all I can say is that the royal commission is set up for the purpose of determining those questions in connection with gas export which are of immediate moment, and also having regard to future policy and the future needs of Canadians. When the royal commission will report and the nature of that report is, of course, not for me to anticipate.

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, a supplementary question. Could the Prime Minister tell us when the first sittings of the commission are likely to be undertaken?

[Mr. Johnson (Kindersley).]

Mr. Diefenbaker: I will try to have that information for the hon. gentleman at the next session.

Mr. Martin (Essex East): The next session? Why not tomorrow?

Mr. Marler: I take it you meant the next sitting.

LIVESTOCK

REQUEST FOR ESTABLISHMENT OF PRICE SUPPORT FORMULA

On the orders of the day:

Mr. Peter Stefura (Vegreville): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. I sent him notice of my intention to ask this question, but perhaps the notice I gave was too short and in view of the busy day he has perhaps he would give an answer tomorrow.

In view of the drastic drop in livestock prices, has the government been in consultation with representative farm organizations to arrive at a definite formula for adequate price supports? If so, will such formula be proposed for enactment this session? Is the minister aware of the urgency of such legislation, and does he intend to introduce such legislation without delay? And being aware that the small producers are planning their next year's production now, is the minister prepared to issue any directive to the farmers of Canada today?

Mr. Marler: Good speech.

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, there are several questions, and I should like to thank the hon. member for giving me notice of them. However, I should like to point out that the way he prefaces the question—and this has occurred four or five times before—I do not think is in accordance with the facts. He says "in view of the drastic drop in livestock prices". Now, I do not know of the drastic drop in livestock prices to which my hon. friend and various other people who have made the statement in prefacing questions are referring.

I have here the prices on the Toronto and Winnipeg markets for good steers and grade A hogs. On November 19, 1955, the price of good steers on the Toronto market was $19.50 and on the Winnipeg market $19. On November 17, 1956, it was $20 on the Toronto market and $18.84 on the Winnipeg market. On November 9, 1957, it was $17.50 in Toronto and $17 in Winnipeg. That is a drop of approximately $2 a hundred as from two years ago and a year ago at this time, which I do not think can really be called a drastic drop.

Mr. Marler: How much more has it got to go?

Mr. Harkness: When we come to the situation in regard to hogs perhaps the gentleman opposite will not be making as much noise. On November 19, 1955, the price of grade A hogs at Toronto was $23.50 and at Winnipeg it was $20.96. On November 9, 1957, the respective prices were $26.62 and $24.08. Rather than being a drastic fall as from two years ago it is quite a considerable increase. As of a year ago there has been a reduction. On November 17, 1956, the price at Toronto was $30.50 and at Winnipeg $28.

The main point is this. These constant prefaces to questions about a drastic fall in the price of livestock I think are hardly justified. There has been some fall in the price of livestock, which I regret very much, but it is not a drastic fall; and as far as hog prices are concerned they are considerably better now than they were two years ago at this time. They are poorer now than they were a year ago at this time.

Mr. Gardiner: Or a month ago.

Mr. Harkness: In regard to some of the other questions, I might just add that everybody who is familiar with the livestock business knows that when you get a large production of livestock, which has been the case so far as hogs are concerned, particularly in the fall of the year, you always get a drop in prices.

The hon. member continued:

> Has the government been in consultation with representative farm organizations in arriving at a definite formula for adequate price supports?

We have, of course, been in touch with the federation of agriculture and the farm union organizations and have heard their representations in regard to this matter over several months past, and are fully aware of their views in regard to this matter.

As far as the other questions are concerned, as to whether such a formula will be proposed for enactment at this session and so on, the hon. member is aware, as are all members of the house, that we have on the order paper a resolution providing for a stabilization program for farm prices and that will be proceeded with as soon as it becomes possible to do so and will, of course, become part of the general program of this government and of the laws of this country.

Mr. Pickersgill: The hon. member is very confident.

Mr. H. R. Argue (Assiniboia): May I ask a supplementary question. I wonder if the minister could inform us as to the drop in hog prices within the last two or three months. Is the minister implying that the very low prices under the previous administration should now be continued?

Mr. Speaker: Order. May I say to the hon. member that hog prices for the last three months are information that is available to anybody. It is not necessary to ask the minister about that.

Mr. Argue: They would change the minister's answer.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—INSPECTION OF FIRE HAZARDS ON RESERVES

On the orders of the day:

Mr. Colin Cameron (Nanaimo): I have a very brief question of the Minister of Citizenship and Immigration. Is he in a position now to give me an answer to a question I asked him some time ago regarding a fire on the Songhees reserve?

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): There have been inquiries made and I have two memoranda on the subject. I find I am not in a position to condense them into one, so if the hon. member would wait until tomorrow I will undertake to answer him then.

INCOME TAX

WESTMORLAND COUNTY, N.B.—INQUIRY AS TO ALLEGED SNOOPERS

On the orders of the day:

Mr. H. J. Murphy (Westmorland: I should like to direct a question to the Prime Minister. In view of the lack of announcement with reference to income tax cuts, will the Prime Minister inform the house if the loyal and hard-working civil servants of the Department of National Revenue are to be regarded as income tax snoopers who pillory and push around honest Canadians, as indicated in a document bearing a facsimile of his signature and sent to thousands of the citizens of Westmorland county? If not, will the Prime Minister so notify the same citizens of his change of heart in the same way?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the facetiousness of my hon. friend gives the answer to his question.

Mr. Murphy (Westmorland): This is not a facetious question. It is a matter that is of vital importance at this time of year when the income tax—

Some hon. Members: Question.

Inquiries of the Ministry

Mr. Speaker: The hon. member has asked his question and has had his answer, and unless he has a further question we shall pass on to the next one.

LABOUR CONDITIONS

CANADIAN PACIFIC RAILWAY, WINNIPEG—REPORTED DISMISSAL FOR FAILURE TO CROSS PICKET LINE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Is the minister aware that the members of a Canadian Pacific switching crew in the Winnipeg area who felt that they could not cross a picket line two days ago have been informed by the Canadian Pacific Railway that their services are no longer required?

Will the minister look into this matter to see if there is not some protection for such employees under the national labour code, since these employees do come under federal labour jurisdiction?

Hon. Michael Starr (Minister of Labour): I shall be glad to look into the situation and report to the hon. member.

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO EXPLOSIONS IN SASKATCHEWAN AND MANITOBA

On the orders of the day:

Mr. Louis Lewry (Moose Jaw-Lake Centre): I should like to direct a question to the Prime Minister, in view of his answer to a question I put to him on November 4 in connection with explosions in the Trans-Canada pipe line in the provinces of Manitoba and Saskatchewan. At that time the Prime Minister replied that as yet he had no information on the cause of these explosions, but he would make inquiries and let me know possibly the day following. I wonder if he has any further report at this time.

Right Hon. J. G. Diefenbaker (Prime Minister): As I reported the other day, a very complete investigation was made, and as yet there is no satisfactory conclusion as to the reasons for the explosions in question. The investigation, I understand, is continuing and I expected to be able to give my hon. friend an answer, as I stated, within a day or so. As yet I am not in a position to do so, and cannot until such time as the board of transport commissioners are in a position to advise me.

[Mr. Murphy (Westmorland).]

QUESTION PASSED AS ORDER FOR RETURN

On the orders of the day:

Mr. C. W. Hodgson (Parliamentary Assistant to the Minister of Public Works): The answer to question No. 105, Mr. Speaker, is a voluminous document and I would ask permission to table it as a return.

Mr. Speaker: This return which is offered to the house should properly have been made on Wednesday, I am informed by the Clerk, but it could be accepted now by unanimous consent of the house.

Some hon. Members: Agreed.

PUBLIC WORKS—ALLOTMENT TRANSFERS

Question No. 105—**Mr. Bourget:**

1. Have any transfers of allotments been authorized by treasury board, since June 22, in the estimates, supplementary estimates and further supplementary estimates of the Department of Public Works?

2. If so, how many, and in each case (a) what was the amount transferred; (b) from what heading or project was each transfer made; (c) to what heading or project was each transfer made; (d) what was the reason for the transfer?

PRAIRIE FARM REHABILITATION

INQUIRY AS TO EXTENSION OF LEGISLATION

On the orders of the day:

Mr. Peter Stefura (Vegreville): I should like to direct a question to the Minister of Agriculture. Does the present government have plans for introducing legislation this session to broaden the Prairie Farm Rehabilitation Act to make all areas eligible, instead of restricting the application of this act?

Hon. D. S. Harkness (Minister of Agriculture): This is a question which I have looked into to some extent and upon which I have received representations. It is not, however, what you might call an emergent matter, and therefore not a matter with which we could properly deal at the present session.

Mr. Marler: What does the minister mean by "emergent"; something which emerges, or what?

Mr. Harkness: I think the hon. member has a dictionary, and perhaps he could look in the dictionary and find the meaning of that word.

Mr. Marler: I suggest the minister might do so himself.

FISHERIES

STATEMENT AS TO INTRODUCTION OF COMPULSORY INSPECTION

On the orders of the day:

Hon. J. A. MacLean (Minister of Fisheries): On Friday last the hon. member for Gloucester inquired regarding the possible introduction in 1958 of compulsory inspection of fresh and frozen fish, and as to whether facilities would be made available to those interested in the industry to appear before a committee of the house to discuss any proposed amendments to the regulations enacted under the authority of the Fish Inspection Act.

A decision has not yet been taken regarding amending the regulations enacted under the Fish Inspection Act to provide for the compulsory inspection and grading of fresh and frozen fish. It is not contemplated, however, that a committee of the house will deal with proposed amendments to the regulations. It has been the practice of the department to have full discussion with the industry through its association, the fisheries council of Canada, and with others on proposed amendments to regulations. Meetings with the industry and others interested will be convened before proposals for amending the regulations to provide for compulsory inspection are presented to the government for its consideration.

EXTERNAL AFFAIRS

ISRAEL—INQUIRY AS TO REMOVAL OF ARMS EXPORT PROHIBITION

On the orders of the day:

Hon. L. B. Pearson (Algoma East): May I ask the Prime Minister whether consideration has been given by the government to the removal of the prohibition on the export of defence equipment from Canada to Israel, and if so, what is the result of the consideration?

Right Hon. J. G. Diefenbaker (Prime Minister): I would rather not answer that question offhand. I think it is of sufficient moment to demand a rather complete reply, and it will be given in due course.

NATIONAL REVENUE

FILM CENSORSHIP—SUGGESTED ASSUMPTION OF FEDERAL JURISDICTION

On the orders of the day:

Mr. Frank Howard (Skeena): I have a question which I believe should properly be directed to the Prime Minister, but if I am in error perhaps we will get it straightened out. Does the government intend to accept the suggestion of Mr. Silverthorne, chairman of the Ontario censorship board, which was to the effect that the federal government should assume jurisdiction over the censorship of films in order that uniformity of censorship may be accomplished?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not know what Mr. Silverthorne said, but I can think of nothing that would be more unconstitutional than that.

BRIDGES

SAINT JOHN, N.B.—STATEMENT ON REQUEST FOR CONSIDERATION OF HARBOUR PROJECT

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, on November 12 the hon. member for Westmorland (Mr. Murphy) asked me this question:

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?

I find that there is no record in the Department of Public Works of any such proposal having been submitted. I also find that the federal government took no part whatever in the construction of the Angus L. Macdonald bridge in Halifax. Evidently the cost of that bridge was met by the province of Nova Scotia, the city of Halifax and the municipality of Dartmouth.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, November 13, 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. Heath Macquarrie (Queens): Mr. Speaker, I may say that I was delighted that so much of this sitting was given over to a discussion of the maritime provinces. We are not an overly sensitive people, but we do not like to be ignored. It is a very happy situation for us to find that we are now being considered since this new government has come into office.

Along with the matters that have been discussed heretofore there is in the province of Prince Edward Island another pressing problem which underlies and affects the only three industries of which we may boast, namely agriculture, fishing and the tourist

trade. For years and indeed, I think, ever since Prince Edward Island has sent its members to the Canadian parliament there have been discussions about one particular aspect of transportation, namely the link with the mainland. During the administration of Sir John A. Macdonald and Sir Wilfrid Laurier this matter was discussed day in and day out, and finally in the administration of Sir Robert Borden our province was given continuous service with the modern car ferry as it then was.

We are hoping that history may repeat itself, and that the present Conservative government may be able to provide what is at this time the modern answer to our transportation problems. We feel that the time has come to build a road to the isle. We feel that a causeway across the Northumberland strait, is in this modern age of technology and science, not only feasible but indeed quite possible within a reasonable space of time. The service now existing, while once very adequate, is now incapable of coping properly with the traffic of goods across the strait. It is also a costly operation, causing an annual deficit of about $1¾ million to keep our ferries running.

We therefore feel that the building of a causeway upon which there may be some reasonable toll would be a self-liquidating project. It would give us a link with the mainland and, better still, it would give the mainland a link with us! Such a causeway would improve our three basic industries and would give a tremendous boost to the economy of our province.

I hope the Minister of Public Works and the Minister of Transport will give this their most careful consideration.

I know that my friends and colleagues from Prince Edward Island will not allow anyone to forget their very great interest in this problem. I know of no greater memorial to this government, which we hope will stay in power for a long, long time, than the development of such modern and fine engineering projects, and particularly such a fine boon to the maritime provinces as this particular project which is so close to our hearts.

It has been pleasing indeed to observe the type of legislation which the government has put through. I have been greatly interested in it all, and so have the people of my constituency. The old age pension increase is one example. My personal preference at one time had been for $60 per month as a fair and reasonable amount. But the calculations and the explanations of the minister with respect to the economic and fiscal situation struck me as altogether satisfying. I am impressed with the fact that this new increase is 37½ per cent over 1949 as against a 23 per cent increase in the cost of living for the same period.

There is one feature about this matter which has a special appeal to the people of my province, and that is the increase in allowable absence from three to six months. Many of our people in years gone by found it necessary to move to the United States, especially the New England states. In this, you see, they were anticipating a certain section of the Gordon report. Many of the older people like to spend part of the winter season with their families in the south. Therefore it will not now be necessary for them to return in the midst of winter. I have already had a great many letters of appreciation on this point.

This is an historic time for a new member to enter the Canadian parliament. The opening by Her Majesty the Queen of course was an unforgettable occasion; the change of government after 22 years of power dominance by one party was in itself something unique. We have also seen something else which I think is new—certainly in degree—in Canadian history, and that is the rapid implementation of election promises by a newly elected government!

We have also seen during this historic time in the record of Canada the end of certain things, and I have a feeling that a great many myths have recently died. We, especially those of us who are young—and I boastfully put myself in that class—had become almost inured to certain myths which had gotten about. I would not say any party did it deliberately,—but they got about. One of those myths was that one party had some sort of monopoly on social welfare legislation. Of course, as any projection back through history or any look through the contemporary record of various provinces under different governments or different political parties would indicate, clearly that is not the case. One could turn to the debate on old age pensions in the year 1907 and there get a cross section of party opinion. There was also the myth of indispensability; that it would be impossible, or at least dangerous, to replace a political party. There also was another myth of invincibility and that well known query "Who is going to stop us?", which had almost passed into the category of a rhetorical question.

There is another very assiduous myth—that national unity adheres to one particular party. I remember we used to be told by so

many leaders of the virtue of voting a certain way for national unity. We had in this house at least a partial demonstration of the falsity of that myth from one of the members on the other side, the hon. member for Laurier (Mr. Chevrier) who gave, I think, a convincing demonstration. He did me the honour of quoting part of an article I wrote. I appreciate his compliment; and while I do not mind for myself being dealt with in this way, I cannot allow to pass any imputation with respect to that great statesman Sir Robert Borden to the effect that he should be adduced as an argument for that which was put forward by the hon. member for Laurier. It would be very immodest of me to practice the art of self quotation, but may I be permitted to put my finger on one very short sentence in the same article, which I think perhaps displays Sir Robert's attitude a little more fully:

> (Sir Robert Borden) was not given to pious preachments about his dedication to the furtherance of national unity, but he was nevertheless fully aware of the need for the harmonious interaction of the two great ethnic groups.

Sir Robert Borden did not foster racist divisions, and no man in this country need be ashamed of his Canadianism, whether in this parliament or in the councils of the world, where he strongly and clearly enunciated our national aspirations and became the chief architect of mature Canadian nationhood.

In this party, of which I am proud to be a member, there is no place for any narrowness of outlook on ethnic, religious or cultural lines. We are the great national party of today. We are the only party with representatives from every province in Canada. We have here, and I am proud of it, descendants of many of the peoples whose contribution has made the rich Canadian cultural mosaic. I was always very interested in this great myth of national unity and its association with one party, and am glad to see it has been finally and completely shattered.

One has been impressed also with the impact of the outside world upon our deliberations. The importance laid upon foreign affairs in the speech from the throne has I am sure struck us all; and if one looks back through the debates in the Canadian parliament over the years one sees a gradual development of interest, awareness, information and concern with the outside world.

Indeed, one may say there have been great events even since the speech from the throne was read by the Queen, events so great as to overshadow many of our regular considerations and routine thoughts. Indeed these are stirring and challenging times, and in them petty politics and narrow partisanship seem much out of place. Our earth is now encircled by two man-made satellites, built and launched by the Soviet union. As members of the human species we are thrilled at man's conquest of the lofty heavens, and the imagination warms at the prospect of future triumphs in the vast and illimitable reaches of space. There may be things in store for us which go beyond the fondest dreams of this present moment.

Yet we feel a chill dread about the objects which are swiftly passing through the space around this earth. We wonder if this may be a prelude not to a glorious triumph of man's ingenuity, but a horrible forerunner of man's inability to live peaceably upon this green earth. Whatever else has happened we must admit that we of the western world are late in this field of space conquest. May we not be too late! The forthcoming meeting of NATO at which the leaders of the western states, including our own Prime Minister, will gather may well be a turning point. One is interested in the reaction of people in the western world to this new development. It seems to me we must strike an attitude somewhere between that of panic and that of complacency.

Indeed, linked with this scientific development there is a tremendous political campaign which is exceedingly dangerous. Mr. Khrushchev has said that the western bases in Europe are obsolete. That would be a most dangerous thing to believe. Far from being obsolete they symbolize something which is indispensable to our survival, namely the unity of nations; and I think we will see a great deal more interdependence rather than less.

I am interested in the questions that arise on this very topic from time to time. We must redouble our efforts, and we must turn into practical canons this common ideal which we share. It is not only for parliaments; it is for peoples to meet this present situation. Just the other day in that wonderful newspaper the *Christian Science Monitor* I read a very simple sentence which strikes me, as does so much of the writing in this paper, as clear, meaningful, and succinct. Speaking of the American people it said:

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

This is a time, I would say, for some soul searching and heart searching not only among the people of the United States but among the allies of the United States. I think we

must look very carefully into our educational system so we may meet the present challenge with strength and unity.

From that sense of urgency and common purpose about which I heard the Prime Minister speak at the United Nations some weeks ago may something come which will take us from our present position of second best. These are great and stirring days. May we all be able to measure up to our responsibilities in facing them.

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, in rising to take part in this debate on the address I must first warmly congratulate you on your election as Speaker of this House of Commons. It is just one month ago that the members of this house unanimously selected you to preside over our debates, and in that month you have amply justified our high hopes. You have shown a very sound knowledge of the rules of the house and, even better, a sound appreciation of the customs of this house. You have displayed a judicial attitude; you have given your rulings with firmness, but alleviated them with a very important ingredient, a sense of humour—a quality I warmly commend to the Minister of Finance (Mr. Fleming).

Mr. Fleming: How about applying that comment to yourself?

Mr. Sinclair: You, Mr. Speaker, and I have no common political affiliation, but we have another common bond. Our mutual benefactor expressed the hope that his young scholars would esteem the performance of public duty in their later life as their highest aim. His scholars, on the whole, have done very well in later life, but not too many of them have engaged in public life. You, sir, have amply justified the hopes of Cecil Rhodes by your public service in your own city, in the legislature of your province and here in the parliament of Canada.

While speaking in this vein I think I should also congratulate the Minister of Justice (Mr. Fulton) the two Ministers without Portfolio (Mr. Macdonnell, Mr. Browne) and the parliamentary assistant to the Minister of National Defence (Mr. Lambert) for the way in which they too have lived up to the hopes of Cecil Rhodes.

It is customary at this time to congratulate the mover and seconder of the address. There was a special interest among the older members of this house in the speech delivered by the mover, because we all knew his father well. His father occupied a very high position in the hearts of this house. He had a very unusual gift, the gift of catching the ear of the house. New members and strangers in the gallery may have noticed at times that when some hon. members get up to speak, though they may be making a good contribution to the debate, others are slipping through the door, reading newspapers or writing letters. Then another hon. member gets up, the house fills, and all listen.

I believe the two private members who were best able to catch the ear of this house in this way were the late Art Smith and Clarence Gillis from Cape Breton South. I think this was because they spoke only on subjects which they knew well. They spoke lucidly, without bitterness or rancour, and enlivened their speeches with an occasional picturesque phrase. That is why we were so pleased to find in the first speech made by the mover of the address that he was following the example of his illustrious father. I am sure that must have been especially warming to his mother, sitting in the gallery.

I am now going to make a reference to the seconder of the address. It is understandable that the attention of older members should have been focused on the mover. I have great sympathy with the seconder, because I was in exactly the same position myself in 1940 when I seconded the address in the reply at the opening of the war parliament. The hon. member who moved the address had a distinguished father who was still in the House of Commons. Well, I think the hon. member for Bonaventure (Mr. Arsenault) and I can console ourselves in this; we may not have been endowed with distinguished ancestors, but both of us are well blessed with a good number of lively, bright young descendants.

Now I should like to say a word to my successor in the ministry of fisheries. During the years I occupied a seat on the government side in the House of Commons I repeatedly said I was sure I had the best job in the government of Canada, in touch with an absorbing industry, an industry of ever-increasing importance in our national economy, assisted by a very able and loyal department and a devoted band of scientists, and having an extraordinarily interesting body of men to represent, the fishermen of Canada. I know my successor will get as much pleasure in grappling with the ever-increasing problems of conservation, protection, marketing, and international control of the seas as I did.

During my period of office the hon. member for Queens took an active interest in the work of the department, and I can assure him I intend to do the same during his period of responsibility. But I wish to make one special reference to his attitude in past years. I went to Russia two years ago to try to arrange for an exchange of information between the Russians and ourselves on fisheries

matters, since we fish the same three oceans of the world, and a year later I had the Russian minister return to see our fishing, and especially to see the advantages of free life in Canada.

We visited Newfoundland first, and then we came to the lovely, green garden of Prince Edward Island. The government of Prince Edward Island held a state dinner, and at the state dinner the Russian guest saw for the first time something new, something they do not have in Russia, a member of the opposition, in fact the hon. member for Queens as he was at that time. I took special pains to introduce him to the Russian minister, and I explained to our visitor that this was the man opposed to me as minister, a man who was going to do his best to defeat our party and who, if this came about, would probably succeed me as minister. Mr. Ishkov agreed politely, but I imagine he was not altogether convinced and really felt that it was a "Potemkin" opposition, as the term they use in Russia goes.

A year has passed since then. I am no longer minister of fisheries and the hon. member for Queens is. I understand my friend Mr. Ishkov is no longer minister of fisheries, either. But there have been a number of other changes in Russia as well since that time. Mr. Molotov is somewhere in Outer Mongolia. Mr. Malenkov is managing a power plant in Turkestan, and Mr. Ishkov is managing a fish plant in Murmansk. Mr. Speaker, I prefer our system because I am still in parliament, not running a fish plant in Aklavik.

This debate on the address does, of course, open the whole field of public policy for debate. I had intended to speak on the financial, trade and employment policies of this government. However, it is a little difficult for me to make such a speech because we have had so little information about the financial, trade and employment policies of this government. Of course we remember the speeches made by supporters of the government when they were in opposition. We remember the many election promises they made, promises which have been singularly neglected in the House of Commons. But we find that the really important policy declarations now seem to be made either in C.B.C. broadcasts or in speeches at Oakville and Winnipeg, and we second class citizens in parliament are obliged to rely on newspaper accounts and questions on the order paper in an effort to find out what is government policy on these matters.

This does, of course, give the Minister of Finance and the Minister of Trade and Commerce an opportunity to read once again with relish the speeches they delivered outside this house, as they did yesterday, the happy little narcissists. It may give them pleasure, but it is not very satisfactory to the other members of this house.

I had intended to speak especially on the question of unemployment. I did not hear the broadcast of the Prime Minister last week on this subject, but I read an account in the Vancouver papers last Saturday in which the Prime Minister is reported as having said that those who mention unemployment are creating a fear complex, a depression complex, casting gloom in the land. I say this is the most serious domestic problem facing Canada today, and we will spread fear and gloom if we do not discuss this matter thoroughly and frankly in the House of Commons and suggest to the government action which can be taken to curb unemployment in Canada today. We certainly are not going to solve it by ignoring it, by sweeping it under the rug.

Interestingly enough, in the same issue of the Vancouver papers there was a Canadian Press story bearing the headline, "Jobless Expected to Hit 750,000," and it starts off:

> A qualified government official predicted today unemployment this winter will likely hit at least 750,000, the highest since the end of the second world war.

This comment was made not by a Liberal member but a qualified government official. Unemployment right now is roughly double what it was in the same month a year ago. In Vancouver last week there were 20,000 registered unemployed, and in the province of British Columbia 40,000. The province of British Columbia is especially vulnerable because we are mainly producers of primary products which are sold on world markets without any protection of the tariff.

There is, of course, one great difference between the condition now and the condition in the thirties. We now do have a floor of social security which was not available to those who were unemployed in the thirties. Unemployment insurance benefits, unemployment assistance paid jointly by the federal government and the provincial governments, family allowances and the universal old age pension all put cash payments into the family group which were not available during the thirties. These, however, are no substitute for employment, and the government this winter must make every effort to maintain the highest possible level of employment.

I said I intended to speak on these subjects but I have changed the nature of my speech because of a matter which has arisen which is of concern to all members from British

Columbia, members of all parties. It is a problem which concerns us and one in which we are pretty well agreed on the solution, an example of solidarity of British Columbia members irrespective of party which has been seen before in this House of Commons. Since it primarily concerns my riding, although it is also of major interest to the other members from British Columbia, I am going to try to give the house an objective account of the problem; and if I am unfair in my exposition or in my deductions I would welcome interruptions from any of the other British Columbia members on this matter.

The problem is the threatened closure at this time of Britannia Mines in British Columbia. Perhaps I should give a word or two of background. Britannia Mines is one of the great copper mines of the world. For many years it was the largest producer of copper in the British Empire. It is located 30 miles from Vancouver, in a position of some isolation. There is no road connection, and until about a year ago all communication was from the sea. They now have a rather irregular rail service provided by the P.G.E., which is still in the throes of construction in that area.

The mine has operated continuously for 55 years, and there is lots of life left in it. They still have large deposits of low-grade ore. It has always been noted in the mining world as a mine with one of the cheapest costs of operation. Over the years it has given the lead in many new mining methods. The copper is not actually smelted there. The concentrates are sent down to a smelter at Tacoma in the United States. This is an unusual mine and does not go down into the ground; rather it goes up. The mine tunnel comes in from sea level and then shafts go up 4,600 feet into the heart of this mountain, with grade levels every few hundred feet all the way up.

The mine is of special interest to me not only because I am the member representing the area but because it was in this mine that I first started to work 33 years ago. I think we all remember our first job. I remember this particularly well because my father and mother were very much opposed to my going to work in what they regarded as a very dangerous occupation. Finally, when I insisted, my father said to me, "Well, go, but you will be back within a week". If he had not said that I think I would have been back within two days, because it was hard work, but it provided a great training in mining.

It was there, too, I had my first experience with the burden of taxation, a matter which now interests me much more. British Columbia then had a law which said that every male over the age of 18 who did not support a family had to pay a $5 poll tax. I was not 18 at the time; rather, I was 16. However, in order to work underground I had stretched my age to 18, so I was nicked for this $5 poll tax which I thought was most unjust. It took ten hours of work to pay the $5 poll tax, but of course that was my fault because I had stretched my age to 18. Since my first experience with taxation I have always felt that most taxes would be better spent if left in the pockets of the taxpayers.

The mine has been a great training ground for successive generations of engineers in western Canada. Today the mine is not on the early scale, when it employed over 2,000 miners; but it still employs 800 miners. The whole community contains 1,650 people or 312 families. The monthly payroll today averages just under $300,000 and the monthly supply bill spent by the company in Vancouver averages $150,000 a month. Over the years the company has produced almost $400 million of copper wealth. It has paid heavy taxes both federally and provincially.

Over the last year there have been extraordinary fluctuations in the price of copper on the world markets, the New York export market and the London metal market. There was a high of 47 cents and a low last month of 22.175 cents. The break-even point for the Britannia operation is 30 cents, and when copper declined below this price last May the company started losing money. Last August the price declined to 25½ cents, which was 4½ cents below the break-even point, and the company began to lose between $70,000 and $80,000 a month.

The company wanted to stay in operation and went to the mine-mill union and asked them to share this loss by taking a 15 per cent cut in wages. The company said if they closed down the mine with the expectation of reopening again it would cost them between $35,000 and $40,000 a month, so they were prepared to assume a loss of that proportion providing the union took a 15 per cent cut in wages as their contribution to maintaining employment in this mine.

The union pointed out that their present wage scale was below the wage scale in most other mines because of the difficult position at Britannia. The union leaders said they did not feel a wage cut at this time was the real answer. It would result, of course, in lower purchasing power for that group, which would be reflected in Vancouver, and it would probably lead to other cuts in other mines around the country and start a spiral of deflation.

The press accounts to the effect that the union had refused to take a wage cut to maintain employment did lose public sympathy. The press accounts were most unfair, because the union did better than take a wage cut. The union pointed out that it was not a cut in wages that the company wanted, it was a cut in the cost of producing copper; and the best way to achieve that, they said, was not to reduce the take-home pay of the miners but to have the miners work longer and harder and so cut the unit cost of production in that way.

This is what the union agreed to do last summer. They agreed, first of all, to forgo taking a 5 cent wage increase which was embodied in a two-year contract signed a year earlier. Secondly, they agreed to work a basic 44-hour week instead of the 40-hour week provided in their contract and under provincial law. They agreed, too, to an alteration in the working time of the miners. The men who regularly worked under what are called portal to portal agreements, who got 42 hours' pay for 38 hours' work, now agreed to work 42 hours for 42 hours' pay.

The most important concession the union made was to waive what are called punitive rates for work on Saturday and Sunday, time and a half pay if they were called upon to work on Saturdays and Sundays. This actually means that the men do not work on Saturdays and Sundays, which after all is what the men really want. Work in a mining community is generally done in continuous shifts, day, afternoon and graveyard shifts, and these shifts rotate during the course of the month. There are few times when all the community is free to take part in a normal sort of community life together, which makes life in Canada so pleasant; but by having a closure such as this, with Saturday and Sunday off because of the extra pay the company would have to pay to keep the mine in operation on these days, they did enjoy on the week ends the community life which is taken for granted by most other Canadians.

The importance of this concession to the company was that they could now run seven days a week, 24 hours a day, and so get full value out of the very costly capital equipment in the mine and in the mill. It was last August that the union and the company agreed to this program, and the price of copper was then 25½ cents a pound. The company and the union agreed to make all these concessions for one year or until copper had climbed back to 30 cents, the break-even point. During the month of August the union leaders met members from all four parties in Vancouver to explain what they were doing. The members also wanted to meet the management of the mine. We met them the day following and they explained the situation from their point of view, and assured us that they did want to keep the mine in operation. It was not a shortage of ore but rather the depressed price that was the reason for the present crisis.

After that meeting the members present sent a wire to the federal Minister of Mines and Technical Surveys (Mr. Comtois). Perhaps I should read it:

August 26

As there is serious danger of unemployment in base metal industries because of depressed prices, the following British Columbia members of parliament urge that the federal government be prepared to take emergency action to keep the base metal mines operating.

This wire was signed by Messrs. Taylor, Vancouver-Burrard; Winch, Vancouver East; McLeod, Okanagan-Revelstoke; MacDonald, Vancouver-Kingsway; Irwin, Burnaby-Richmond; Hahn, New Westminster; Herridge, Kootenay West; Christian, Okanagan Boundary; Sinclair, Coast-Capilano; Regier, Burnaby-Coquitlam; and Broome, Vancouver South.

With this agreement the mine continued in operation and the program achieved the success which was hoped for. I do not think there was much enthusiasm at national headquarters of the union for this plan which had been worked out, waiving the agreement, to work longer hours and to cut out over-time pay, but the local union leaders did support it in the hope of maintaining employment.

Because of the men's extra efforts the break-even price of the cost of production at the Britannia mine fell from 30 cents to 27.9 cents a pound and the United States smelter, which smelts the concentrates, joined in to help this program by cutting their smelter costs half a cent a pound, getting the break-even cost down to 27.4 cents a pound. The company absorbed the remainder of the loss, amounting to about $40,000 a month. Unfortunately, however, since last August world copper prices have declined still further to a low of 22.175 cents, and that meant additional losses to the company of about $80,000 a month or a million dollars a year.

The company have now given notice to the union that they cannot afford to carry on with these losses unless some other form of assistance can be given. It is the feeling of the British Columbia members of all parties that since the company, the smelter and the men have done their best to keep the mine going, the 800 men employed and the community of 1,600 happy, the federal and provincial governments must now assist.

Let me turn to what would happen if the mine were forced to close at the end of the

month. Eight hundred men would lose employment, and with 20,000 already unemployed in Vancouver everyone in our province knows that they have no real hope of getting employment this winter. They could, of course, go on unemployment insurance, because they all have full coverage.

It is more than only this unemployment at Britannia. The ratio of population to primary workers in our industrial towns in British Columbia is about five to one or six to one. At the great pulp and paper company at Powell River and the great smelter at Trail the population is of the order of about six times the number of men actually engaged in the mill. In Britannia it is only two to one because all the other service works, ancillary industries, are in Vancouver; so that in addition to the unemployment in Britannia an equal amount of unemployment will develop in Vancouver because of the closing down of this big industry.

Housing is another problem. The people today are all satisfactorily housed up there. The single men are in good bunk houses, in single rooms, and the married people in 312 houses at rents which range from $7.50 to $20 a month. Last year the company finished 33 new, modern houses in addition, which is evidence that the mine is not worked out. The company would never have spent such an amount of money if the mine were worked out. If the mine shuts down these people will have to be evacuated from their homes because there will be no power, no light, no water and no snow plowing, and they will have to try to find housing in Vancouver, which is a very difficult thing to do these days. It is very costly, and it will drain them of their savings.

Let me take a look at the economic loss if this mine is forced to close. Today these men pay $35,000 a month in personal income tax. If they go on unemployment insurance the very minimum will be $80,000 a month which will be drained out of the unemployment insurance fund. The loss to the people of Britannia means the loss of their homes, the loss of their employment and they will have to move to Vancouver, with the consequent drain on their personal savings. The social loss is the difference between being gainfully employed and idle.

What can be done? One suggestion was that the government should stockpile copper. That is not supported by most mining people. Most of the troubles in the copper industry have come about through governments stockpiling, which drew copper away from industrial users and which then artificially stimulated the price up to 47 cents, which in turn brought a lot of very low-grade holes in the ground into production. Then the price began to collapse and government stockpiles were dumped on the market which, of course, brought an all-time low price of 22 cents a pound.

Floor prices were suggested. Well, floor prices may be the answer in agriculture and fishing in Canada, but they are not the answer as far as copper is concerned because we produce only 7 per cent of the copper of the world, and a floor price would be of assistance to all the mines, the mines which do not need help as well as those which do.

The third possibility is a direct subsidy to this mine to restore the position to that of last August, when the company and the union reached their agreement. The price of copper was then 25½ cents a pound. That would mean a 2½ cents a pound subsidy today. The monthly production of this mine is 1½ million pounds of copper. It would cost the government $37,500 a month at the present price to restore conditions to where they were last August. If copper continued to climb in price, of course, that subsidy would decline in amount.

What would this payment achieve? Well, socially it would keep 800 men in this community of 1,650 gainfully employed, living in their present homes, continuing their community activities and producing a needed commodity, copper. They would continue their schools, their churches and their little hospital up there. It would also continue employment in Vancouver for those other industries which supply the mine.

Last week I had meetings at the mine with these workers and their wives, and one thing that struck me about the group there was that they were the oldest group of miners I have ever seen in Canada, and I have visited over the years most of the main mining properties in Canada. Britannia is a stable community 55 years in operation. The miners who were working when I started to work there 33 years ago are still in the company employ; their whole life is there, and if they lose employment at this time there is very little opportunity for them at their age ever to regain work in mining.

Economically, such a subsidy would maintain a payroll of $300,000 a month at Britannia, along with expenditures by the company alone of $150,000 a month in Vancouver. It would mean that the government would still get $35,000 a month in income tax from these employed miners. It would save a drain of $80,000 per month at least on the unemployment insurance fund.

There is a precedent for such aid. In 1948, under similar circumstances, the former government brought in the Emergency Gold Mining Assistance Act, not to help the mines but to maintain employment in these northern gold mining towns where the mines were finding the fixed price of gold and mounting costs made mining uneconomic. We split the cost roughly between the mines and the government. The program has enabled these mines to stay in operation, maintaining employment and housing. The cost of this program last year was $12 million.

The subvention paid to maritime coal mines is a similar piece of legislation which has enabled the maritime coal mines to stay in operation. Today the Prime Minister announced the extension of that policy to apply to coal mined in the maritimes and used in the maritimes. We supported that. Another example is the guaranteed price for uranium until 1962, which has enabled the great development at Blind River to go ahead, a further example of direct government assistance of this type in the field of mining.

We have many more precedents in other fields. Price supports for farmers are an example of the same principle. Price supports for fishermen have been paid on the prairies, the great lakes and the Atlantic provinces. Fortunately they have never been needed in British Columbia. The subsidy to the railways for the bridge across northern Ontario; subsidies to the steamship companies for maintaining operations on our two coasts, are other examples. The British Columbia members have, in general, supported all these precedents I have mentioned. Last week we all voted, for example, for cash advances to prairie farmers. We want to help the primary producers in every part of Canada. Now we do expect the government to take action to help this particular group of primary producers in our own area.

Yesterday the British Columbia members met the leaders of the miners' union and passed a resolution which was sent to the cabinet, supporting the proposal of the miners' union that this subsidy be paid. Of course the Minister of Finance will immediately raise the question, will this policy have to be extended to other base metal mines? There are two other major producers of copper in the country, International Nickel and Noranda. Both these companies are in a very happy profit position. International Nickel, of course, has the nickel market as its primary source of profit. Noranda has a complex manufacturing industry as well as mines. There are one or two small copper properties, but they have high grade copper and are making money. The best evidence of that is that all these other copper mines in the last year have granted substantial pay increases to their miners, in contrast to Britannia where the miners have taken substantial cuts. The director of the mine and mill union assures us he knows of no other copper mine in this predicament. So far as the lead and zinc mines are concerned, their problem will arise next year if the United States does raise the tariff on lead and zinc.

We all know the tendency of people to lean on the government in time of trouble. The Britannia miners, however, can come to the government in this respect with clean hands, because they have tried to help themselves. If it had not been for the continued drop in copper prices the arrangement they worked out last summer would have been sufficient. It is true that another government has a responsibility, because the provincial government has the primary control over mining. The provincial government receives a royalty, of course, on all mining production, and they get a 5 per cent sales tax on all purchases. I feel a joint program should be worked out between the federal and provincial governments.

I believe we British Columbia members regard this as a key case, not of mining but of employment. If government action is taken in this key case it will certainly do a great deal to dispel the gloom and despair of many people who are unemployed, and others in British Columbia who are fearing unemployment. We have acute unemployment problems in British Columbia.

I think the satisfactory solution of this particular problem could well be the signpost of government action. If the mine closes down I am afraid a lot of people in British Columbia will regard this as a return to the thinking of the thirties, when the relief camp was the only answer to unemployment. If, however, direct government action keeps this mine in operation, in conjunction with the sacrifices already made by the company, by the smelter and by the miners, it will be a very positive approach. It will be heartening to all British Columbians. It makes good sense economically, because a $37,000 monthly subsidy keeps $35,000 in income tax payments rolling in and saves $80,000 per month in unemployment insurance benefits.

It is because of this that the British Columbia members of all parties have sent a letter to the Prime Minister supporting the presentation which was made by the union to the government this morning. I think I can speak on behalf of them all in urging

the government to give prompt and favourable consideration to this positive approach to help unemployment in British Columbia at this time.

Mr. Hahn: Before the hon. member takes his seat I wonder if he would entertain a question. What would be the effect on the mine itself if it were to close, that is on a long-range basis? Would the mine be reopened, or could it be reopened?

Mr. Sinclair: The Britannia is an old mine and a very wet mine. There is a great deal of water in British Columbia, as the hon. member knows. If the mine were closed for any length of time it would be very difficult and costly to reopen it. The company would hope to reopen it, because they would hope to maintain it. It would be a difficult proposition if they had to close down, because of the nature of the mine and the nature of the ground.

Mr. C. E. Johnston (Bow River): Mr. Speaker, on this occasion I should like to speak about two matters. One is unemployment and the other is related to it, that is, some of our industries in Canada. During the session this year members from all parts of the house have been indicating to us and to you, sir, the ever-growing unemployment problem. The speech to which we have just listened was an excellent account of some of the unemployment conditions occurring in British Columbia. I believe this situation applies not only to British Columbia but to the whole of Canada.

I am afraid the reason for this condition is not any local situation, because the condition is general across the whole country. Of course it is my opinion, and I think the opinion of authorities across Canada, that one of the greatest causes contributing toward this unemployment problem is the financial system under which we are operating; that is, the present financial system followed by the Conservative party and which was carried on by the Liberal party. It is the tight money policy which is causing a great deal of the disturbance throughout the whole of the nation.

In this regard I should like to refer to an article which I read in the *Gazette* of Tuesday, November 12, 1957. The headline reads "Montreal Economist Raps Juggling; Ottawa Tight Money Policy Contributes to Recession". The article reads:

> Canadian monetary policy "has certainly contributed to the recession we now are in," J. R. Petrie, Montreal consulting economist, said today in an address to the annual tax conference of the Canadian tax foundation.
>
> "I do not," he added, "place the whole blame for this recession on monetary policy, but a determined enough credit squeeze can take the froth off any boom, and cause a downward swing in economic activity."

Then farther down in the article he said:

> "It is true that many prices are still rising, but if this be inflation it is not the kind of inflation we had five years ago when the pressure on prices was caused by a shortage of goods in relation to demand. There are no shortages now."

A little further on he said:

> Maintenance of tight money is not going to solve the cost-price-push. While I am not satisfied that easier money will stop this recession now, I am convinced that the maintenance of existing monetary policy will aggravate both its amplitude and existing.

Then he ended up in this way:

> I am in full sympathy with maritime business and political leaders who protest against tight money.

It seems to me, Mr. Speaker, that when authorities of that kind attribute our recession—I suppose they hesitate to use the word "recession"—to the tight money policy, considerable attention should be given to that matter. The members of the Social Credit party in this house have on many occasions gone into this problem. The hon. member for Acadia (Mr. Quelch) has dealt with it in detail on several occasions. Not only this year but in years gone by he has pointed out the dangers of such a monetary trend and indicated that the result would be universal unemployment.

Of course that is the thing that is happening now. From the hon. member who has just spoken we have had an account of how the mining industries in British Columbia are collapsing. How the lumber industry has collapsed has been pointed out by others. Then we have the example of secondary industries closing across the country, creating more unemployment; and particularly we have the coal industry in western Canada, of which I will speak in a little bit more detail later on, closing and that too causing a continuation and accelaration of the recession.

It cannot be said that this unemployment problem we have been facing is of a local nature because it has been unquestionably pointed out:

> Canada's unemployment total, usually stable at this time of the year, jumped by 20,000 during September to 194,000. The jobless represent 3.2 per cent of the labour force, almost double the 1.7 per cent of a year ago. At the same time there were 5,854,000 persons with jobs, a drop of 103,000 from the previous month's record total of 5,957,000.

This is not the opinion of myself. It is borne out most emphatically by a release which we received the other day from the Department of Labour and the bureau of

statistics dated October 23 which has this to say, and I am quoting from this report:

The number of persons without jobs and seeking work, which usually remains relatively stable at this time of year, increased by 20,000 during the month to 194,000, representing 3.2 per cent of the labour force, compared with 1.7 per cent a year earlier.

Then down further they have this to say about this alarming situation:

Unemployment in September was still considerably higher than last year in virtually all local labour markets.

That is the statement which was given by the government, or by the Department of Labour and the dominion bureau of statistics. This unemployment is being experienced, as I indicated, in British Columbia, in the Atlantic provinces, in the central provinces and in western Canada. I have literally hundreds of newspaper clippings which I have saved over the last three or four months and which indicate that this problem is ever increasing. Let me just give you one or two. I have many more, but I do not want to take up the time of the house by reading them all. Here is one I have from the *Albertan* of Monday, September 16, 1957. It reads in part as follows:

Initial and renewal claims for unemployment insurance benefits in July totalled 117,107, an increase of 55 per cent over last year's corresponding total and an advance of 30 per cent over the June figure.

You will note, Mr. Speaker, that the increase has been most rapid since June 10. I am not implying that the present government is responsible for all this situation, but I am pointing out most definitely that they have now had an opportunity to tackle this problem but that so far their policies have not been any different in this respect than those of the Liberals who preceded them. Here is another clipping which is headed "Fears Bad Lay-off in Construction," and which reads in part as follows:

Ottawa (CP)—Raymond Brunet of Hull, Quebec, past president of the Canadian Construction Association, says one-quarter of Canada's construction labour force of 550,000 may be out of work between December 15 and March 31.

Then here is another one from my own province. It is from the Calgary *Herald* of Wednesday, October 21, 1957. It is headed "Cement Plant Lays Off 97" and it reads in part as follows:

Shortage of orders led to a lay-off of 97 workers Tuesday at the manufacturing plant of Canada Cement Company Limited in Exshaw.

The measure was taken to reduce the number of shifts being worked at the plant from three to two daily. Duration of the lay-off is not yet determined.

As was pointed out in one of the articles I read, this recession is different from the one during the hungry thirties because then there was a shortage of goods. There is no shortage of goods now. Certainly there are inflated prices, but there is no shortage of consumer goods. One of the causes of the increase in prices, of course, is the tight money policy which was started by the Liberals and pursued by them, and which is being continued without interruption by this present government.

If we are going to look for the causes of this general recession across the country we had better look to that cause at which all the authorities are pointing, namely the financial system in this country. The premier of New Brunswick, Mr. Flemming, indicated this not so long ago when he was pointing out the deplorable economic conditions in his province. The Social Credit members have pointed it out on a number of occasions here in this house. It is time the government began to take some cognizance of this fact and see what can be done.

I think one of the reasons for the unemployment problem, and which has its bearing on the tight money policy, are the unusually high interest rates which are being charged industry. Of course those interest rates always go into prices, thus making it much more difficult for our people in this country to buy the goods which are produced. Then, of course, as unemployment continues prices remain high, fewer consumer goods are produced, more people are on the unemployment lists and so the vicious cycle continues.

One of the reasons we have been able to hold our head up as high and as long as we have, of course, is the tremendous amount of credit buying that has taken place across this country. Credit buying has amounted in the last year to about $2\frac{3}{4}$ billion. That credit buying is certainly not going to help the economy for any length of time, because when people are short of purchasing power, when they lose their jobs and have their incomes cut and then are obliged to revert to credit buying or buying on the instalment plan, their prices are greatly increased. The interest rates on this credit extension in a great number of cases have amounted to anywhere from 5 per cent to 50 per cent, and the ones who are being hit the hardest are those who are in the unfortunate position of having no jobs at all or on fixed incomes.

What have this government been doing to solve the unemployment problem? Have they a policy which is going to solve this serious condition? My mind goes back to the action this government took just the other day when the seamen in the Montreal area went on strike for higher wages. I am not at this point taking any part on the side of the

unions or anybody else's side. I am just pointing out the condition as it exists. The seamen went on strike for an increase in pay. The government immediately brought forth what I suppose they considered an appropriate solution, and so they permitted eight vessels of Canadian National Steamships, a government owned crown corporation, to be transferred to foreign registry. The ships will be registered at Port of Spain, Trinidad. The company stated that by doing this they will be able to compete with other shipping companies who are hiring foreigners on their ships at lower rates of pay, and this government is a partner in that action.

Perhaps some of the members of this house have never been to the West Indies. It was my privilege to visit that area about a year ago, and I am going to say to the members of this parliament that Canadian National Steamships will have no difficulty whatsoever in getting lots of cheap labour anywhere in the West Indies. When we made that trip throughout the West Indies we stopped at nearly all the ports which were doing business with the commonwealth, and on every occasion when we stopped at these ports the docks were just lined with workers, hundreds of them, seeking employment. I have never visited a place where the economic conditions were as low as they are in the West Indies and, make no mistake about it, Canadian National Steamship Company, as far as employment on these eight ships is concerned, will be able to get a lot of cheap labour.

The distressing part of this whole thing is that here we have the government of this country in an effort to solve their internal unemployment problems saying in effect to the working people of this country, "If you do not lower your standard of living and accept lower wages then we will get foreigners to take your jobs." I do not think anything could be more deplorable. The government is saying in effect to all industries in this country that one of the ways to lower their costs and, incidentally, to increase their profits is to hire foreign labour. You might as well go out and lower your immigration barriers and allow foreigners to come in and absorb the work which Canadians are doing.

That is not the solution. What is going to be the result? The result will be, as in the seamen's strike, that all these men will be thrown out of work, their families will no longer have the pay cheques coming in each month, and their standard of living will be reduced considerably—almost to nil—with their purchasing power gone.

They will be buying less consumer goods. Of course, there again is a vicious cycle; less purchasing power, less consumer goods used, less production from the industries and then, naturally, more unemployment. That is not the way, surely, to solve our internal unemployment problems, and the government must accept a portion of the blame because they were the ones who permitted this action to be taken. I cannot help but think that this action on the part of the Conservative party smacks very largely of what happened in the hungry thirties. We had unemployment problems then, and when the unemployed of western Canada decided to come down to Ottawa and complain they were stopped at Regina by the police. I will not go into the treatment they were given; I will not expand on that but unfortunately, although it may be a coincidence, that was the time when the Conservative government was in power under the former prime minister, Right Hon. R. B. Bennett.

Is that going to be the policy of this government? It certainly looks like it, because it smacks most strongly of the iron hand for our unemployed. I think there could be some alleviation of this problem, but before I go on to a different angle of my talk 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. Johnston (Bow River): Mr. Speaker, I was about to branch out into another topic, namely the subject of industry in Canada. I think one of the things which would help solve our unemployment problem in this country would be for the government to embark on a determined plan to decentralize industry. This question has been brought before the house on a number of occasions in days gone by but too little attention has been paid to it, with the result that most of our industries are concentrated in the two central provinces of Ontario and Quebec because of a number of factors which give these two provinces an advantage with regard to the employment of people as compared with other parts of the country.

One of the factors which has prevented industry from locating in the Atlantic and western provinces is the discriminatory freight rate system we have in this country. We in the province of Alberta have felt this discrimination keenly over a number of years. We have the highest freight rates in Canada, and industry is therefore hesitant about moving to that part of the country to establish factories. It is impossible for industries in the west to compete with industries located in central Canada while

they have to pay such exorbitantly high freight rates. It is not a good thing for the country as a whole, either from an economic standpoint or from the point of view of national defence, that industries should be concentrated so heavily in the two central provinces. It would be an easy matter for the enemy to ruin us in a few months with the help of modern weapons now at their disposal.

Another reason it has been difficult to establish industries in western Canada is the tariff structure. Industries which have settled in central Canada enjoy a very high degree of tariff protection while industries in other parts of Canada have very little. I am thinking especially of the agricultural industry in western Canada. The agricultural industry has no tariff protection, or very little. Certainly there is no tariff protection with regard to wheat. The farmers must sell their wheat on the open market and buy all the goods they require on a protected market.

This is particularly true in respect of our coal industry, and I want to spend a little time in considering the coal industry not only in western Canada, Alberta and Drumheller in my riding, but in all other parts of Canada as well.

It is true that both the present government and the government which preceded it have been applying the principle of subsidies. Quite clearly the application of subsidies alone has not been sufficient to enable industries in other parts of Canada to compete against those of the two central provinces. That is particularly true in the case of coal. As I say, the government's policy has not changed. It is true that in one or two instances there have been increases in subsidies. The Prime Minister mentioned something of this sort this morning while he was speaking about the provinces of New Brunswick and Nova Scotia, and I expect the position in those two provinces will be somewhat eased as a result. But we in the west have found that the subsidies which have been provided are not sufficient to keep our coal industry alive.

The coal industry is essential to Canada, particularly in wartime. This was brought home to us during the last war when the United States government refused to ship us any coal, and we had to depend upon our own resources. Had we found ourselves then in the same position as we find ourselves today, we should have been in a very difficult situation indeed because today our mines are rapidly closing out not only in the west but in other parts of Canada as well.

When I speak of tariffs I am not unmindful of the fact that a certain amount of tariff protection is good. What I am complaining about is the unequal tariff protection which results in a situation in which almost the only industries which enjoy protection are the large manufacturing industries concentrated in Ontario and Quebec. The coal mining industry has no such protection, yet little has been done about it. I have myself brought the question before the house many times and other hon. members have done the same, but so far nothing has been done which would stimulate the growth of this industry.

Only the other day, on November 4, the Calgary *Herald* carried a report of a speech by Mr. C. V. Daniels, president of the Calgary chamber of commerce, in which he said that the Alberta coal industry is in an extremely depressed state because of declining markets for its products in Canada and elsewhere. Mr. James J. Part, the city manager of Drumheller, also pointed out the need for decentralization of industry and for some assistance to be given to the coal mining industry in that area. He pointed out that Drumheller is an excellent spot—and so it is—for the establishment of industry if some of the obstacles to which I have referred were removed. Down in the valley there we have the largest supply of coal in Canada. In Alberta there is over 48 billion tons of coal, yet our mines are being closed year after year at an ever-increasing rate. As I say, we have plenty of coal in the Drumheller area—cheap coal, too, for industrial use. We have electric power; we have a mighty river running through the area; we have gas and oil, all the inducements which would encourage industry to locate there. If some attention were given by this government to the decentralization of industry and to the changing of our present unfair tariff structure, a great deal would be done to encourage such relocation.

I noticed that the other day when I asked the Minister of Transport about this question he seemed unsure about whether there was any undue discrimination in Canadian freight rates. The minister has been here a long time and has heard a good many of us speak on this question in the house, and if he does not know that now he had better get acquainted with his department soon.

The other day I wrote a letter to the dominion coal board asking for some information on this subject, and they produced some figures from the bureau of statistics and sent them over to me. With the permission of the house I should like to have this short table put on record in *Hansard*.

Mr. Speaker: What is the source of the table?

Mr. Johnston (Bow River): It is from the coal board, Mr. Speaker, and these figures, supplied by the dominion bureau of statistics, refer to coal production.

Mr. Speaker: Has the hon. member permission to have this table inserted in *Hansard*?

Some hon. Members: Agreed.

Mr. Johnston (Bow River): The table is as follows:

Coal Production in Canada

	8 mos. Jan.-Aug. 1957	1956	Cal. Year 1956
Nova Scotia	3,716,765	3,895,816	5,775,025
New Brunswick	589,936	627,068	985,290
Saskatchewan	1,174,140	1,200,403	2,341,641
Alberta bituminous	798,179	1,372,671	2,064,403
sub-bituminous	903,103	1,113,949	2,264,284
British Columbia	728,925	1,006,267	1,481,891
Total	7,911,048	9,216,174	14,912,534

I will refer to the table only briefly, then; but I should like to point out that in Alberta alone so far as coal production is concerned, in the first eight months from January to August, 1957,—I am referring to Alberta bituminous—we produced 798,179 tons. In the same period in 1956 we produced 1,372,671 tons, a drop in the first eight months of this year of 574,492 tons. In 1957 Alberta produced 903,103 tons of sub-bituminous coal, while in 1956 we produced 1,113,949 tons, a drop of 210,846, or a total drop of 785,338 tons. That shows the extent to which our coal industry is being destroyed in western Canada. Total coal production in Canada for the first eight months, January to August, 1957, was 7,911,048 tons and in the same period in 1956 it was 9,216,174 tons, which indicates there has been a drop in the first eight months of this year amounting to 1,305,126 tons. This has been going on year after year, until finally our mines are in a deplorable state.

The other day the hon. member for Red Deer asked some questions in the house and received answers. The questions were as follows:

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?

[Mr. Johnston (Bow River).]

The answers received by the hon. member were as follows:

	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

If you consult these figures, Mr. Speaker, you will observe that from 1955 to 1956 we had a decrease in Alberta production of over 127,139 tons. From the answer to the third question it can be seen that every year we have had a great number of mines closing. I do not have the figures for 1957, but for the years I have dealt with it is shown that an average of more than 20 mines in Alberta closed each year because they lacked markets.

Hon. members will notice that imports of coal from the United States in 1955 totalled 19,742,531 and in 1956 totalled 22,613,374, which represents an increase in imports from the United States of 2,870,843 tons; and there is nothing to indicate that the imports for 1957 will not exceed those of the past two years.

What is the result of all this? Because we are using so much coal imported from the United States we are giving the people of that country employment in their coal mines, while at the very same time we are destroying our Canadian mines and putting our own people out of work, thereby aggravating the unemployment problem here in Canada.

A subsidy offers some relief, but it is only a palliative. Two per cent of Ontario's total requirements last year came from the western provinces and 98 per cent from the United States. Forty-two per cent of Quebec's total requirements came from the eastern provinces and 58 per cent from the United States. Ontario is our natural market. I think some attention should be given to the Canadian coal industry.

As I say, a subsidy is not enough and it will not solve our problem. We could very easily see to it that imports of coal from the United States were cut down a little. Last year they shipped in over 22 million tons for sale in the Ontario market. If we were to give the Canadian mines only 2 million tons of this 22 million which is imported from the United States it would not hurt the United States economy at all, and would serve to bring back to life our own Canadian market.

What we need most of all is a national fuel policy, one that will provide employment for our own people and protect this

country in time of war. If we were to reduce our United States imports by just two million tons as I suggest this would give our own people the employment that is so greatly needed to keep our coal industry alive. It would revive the western coal industry and also give the Atlantic provinces the stimulus required to revive their coal industry. In short, let us make Canada for Canadians and not so much for foreigners.

(*Translation*):

Mr. M. J. A. Lambert (Edmonton West): Mr. Speaker, as a new member, may I congratulate you on the honour conferred upon you by this house in choosing you as its Speaker. It is an honour which assuredly reflects the high regard which hon. members have for you. Your thorough knowledge of both languages will no doubt prove a great asset in carrying out your responsibilities, and this ability is more particularly appreciated by us, who speak both French and English. May I also point out that, since the opening of this session, I have been agreeably surprised to find that so many English-speaking members, especially on this side of the house, have shown remarkable familiarity with the French language. Let us hope that their number will increase with the growing realization, by every one, of the advantages of being bilingual.

I should like to quote from an article which appeared in a bulletin entitled "*Industry*" published by the Canadian Manufacturers Association, and which I am translating as follows:

"French and English are in fact the two official languages of Canada, but the proportion of Canadians who can speak both is unfortunately small, barely twelve per cent. Of the remaining 88 per cent, 67 speak English but no French; 20 understand French and not English, and one person in a hundred speaks neither language.

It is imperative that we do better than that before we can genuinely feel that we have reached the status of an indivisible nation. There should not be a single English-speaking Canadian who does not have some knowledge of French, no more than there should be a single French-speaking Canadian unfamiliar with English; because a Canadian who, for some reason or other, lacks a good command of both official languages of his country is not only the poorer, in the matter of language, but he is, in fact, divorced from several million of his fellow-citizens, and all the obstacles to an efficient and true unity are in this way, much more real. At this time, when students of all ages have registered for a new term in our schools, colleges and universities, it seems particularly fitting that we give some thought to those matters."

Mr. Speaker, I would also like to congratulate your deputy, the hon. member for Labelle (Mr. Courtemanche) whose geniality and poise so eminently fit him for this position. May I also, like all those who preceded me, tender my congratulations to my good friend the hon. member for Calgary South (Mr. Smith) for his contribution in moving the address in reply to the speech from the throne. Though he hails from a locality scarcely known to the people of Edmonton, he has been to me, for many years, a colleague for whose judgment and experience I have the highest regard. By the same token, I commend the hon. member for Bonaventure (Mr. Arsenault) for his excellent speech when seconding the motion of the hon. member for Calgary South.

It would indeed be ungrateful on my part to pursue my remarks without expressing my sincere thanks to the right hon. Prime Minister (Mr. Diefenbaker) for appointing me parliamentary assistant to the Minister of National Defence (Mr. Pearkes). Like so many others in this house, I am a veteran of the second world war. While I do not claim to be an expert in the matter, I may say that I take a great interest in national defence. I acknowledge my shortcomings, my limitations, but I should like to point out, Mr. Speaker, that I could not have found greater satisfaction than in working under the direction of the hon. Minister of National Defence. As was stated previously in the house, he can be described as being unfailingly a gentleman in the true sense of the word. I am very grateful to the hon. members opposite for referring to him in those terms.

Mr. Speaker, it was more than sixty years ago that my father, then eighteen, left his birthplace in the county of Terrebonne, and went to Edmonton, which at the time was a little known still less developed district. A little later, his family followed him. Young though it is, western Canada has its traditions. My grandfather was Conservative member for St. Albert in the last parliament of the Northwest Territories, in Regina, from 1901 to 1904. Most of this constituency is now part of the one I represent. The village of St. Albert, a monument to venerable Father Lacombe, that pioneer missionary of western Canada, is now on the threshold of promising development, after lying dormant for nearly fifty years. A great construction and modernization project is contemplated, and I should like here to wish my electors from St. Albert every success in their undertakings.

I should like to point out that Alberta has some sixty thousand French-speaking citizens. However, no more than about 4,000 of them live in my constituency, which has a total population of nearly 120,000. The fact remains that I was elected in Edmonton West because I was bilingual, because, you see, where I come from, we all feel united. In voting for me the people of Edmonton West did not feel they were supporting a member of a party which practices disunity. So I would suggest to the hon. member for Laurier (Mr. Chevrier), who, unfortunately is not here at the moment, as well as to the hon. member for Hull (Mr. Caron) and others, to go out west and find out for themselves about the views of the French-speaking population there.

Mr. Speaker, they would be amazed to learn that those people do not share the opinion expressed the other day by these gentlemen. Though a small minority, we have lived in co-operation and harmony with our neighbours. If those hon. members would only lift their noses out of the mud with which they are trying to cloud the waters of national unity, they would realize that the Conservatives are recognized as a national party which is consistently working for the unity of this country. The enthusiasm with which the hon. members opposite greeted the inanities we heard the other day about national unity, and which were repeated more recently in Joliette, just shows to what extent the principles held by the Liberal party are bankrupt. The same applies to the emphasis laid on the so-called Diefenbaker-Duplessis axis. For want of something better, it has become the cry of despair of the Liberal party.

If I may venture a suggestion, let them come out of their shells; let them travel in the rest of Canada. They will be welcomed with kindness, especially out west, for our hospitality is well known, but I assure you, Mr. Speaker, they will listen to a few home truths.

People come over from Quebec each year to visit us, and in my opinion they realize that harmony can prevail among people of different races and different faiths without their indulging in snide remarks or bickering. Liberal members have but to look at us, sitting on this side of the house, and they will see an example of the national unity of races and religions. The Conservative party derives its strength from all sources. We are Anglo Saxons, French Canadians (and it should not be forgotten that we got 575,000 votes in the province of Quebec on June 10), Ukrainians, Scandinavians, Italians, Chinese . . . Is that evidence of disunity?

[Mr. Lambert.]

(Text):

I had the opportunity to congratulate you, Mr. Speaker, a few moments ago on your election as Speaker of this house. May I be permitted a moment of personal gratification. I join you, sir, in this house not only as a fellow member of Hertford college, Oxford, but with considerable satisfaction as one of that body of Rhodes scholars who are members of this house. Amongst these scholars we number you, Mr. Speaker, the Minister of Justice (Mr. Fulton), the hon. member for Greenwood (Mr. Macdonnell), the hon. member for St. John's West (Mr. Browne), both members of the treasury benches—and I should like to welcome back to this house the hon. member for St. John's West—and on the other side of the house there is the hon. member for Coast-Capilano (Mr. Sinclair), also a former occupant of the treasury benches. Recently we were pleased to read that another Rhodes scholar had achieved distinction in the person of Mr. Justice St. Germain, whose appointment to the supreme court of Quebec province will be welcomed by all.

I would say also that I have been more than ordinarily surprised at the large number of Rhodes scholars who occupy high positions of trust in the government of Canada. Indeed, if one looks at the list of Canadian Rhodes scholars and assesses their achievements as a whole, one cannot have but a feeling of satisfaction at the fulfilment of the trust and expectations of the administrators of the Rhodes trust in approving their choice of scholars. You, sir, have been secretary for the Rhodes trust of this country for many years, and you know whereof I speak.

If I may be permitted, Mr. Speaker, I should like to urge upon the members of this house that, should the occasion arise, they recommend that young, promising students of this country strive for Rhodes scholarships in order to gain an education that, in my very humble opinion, is on a par with, and in many respects and in the minds of many superior to that which can be obtained anywhere else. In so doing they may assure to this country in some measure a source of leaders as well in industry as in the professions and public life. It may be said that Canadian Rhodes scholars as a whole fulfilled the vision of Cecil Rhodes in establishing these scholarships.

As a new member of this house, Mr. Speaker, I of course had my first impressions from the debate on the address in reply to the speech from the throne. I am astounded and somewhat disappointed in the attitude of many of the members, particularly those opposite. We have heard recita-

tions of serious ruin in so many constituencies. Surely this country has not reached its present eminent position because of all these disasters, either actual or predicted, about which some members appear to be concerned. I would have thought that it was the function of a member not only to have the nature and status of his constituency in its proper perspective, but to tell the rest of the people of Canada what his own people were doing rather than what they were not doing. It is not in the spirit of pessimism that we must approach our functions as members of this house.

I am not by that saying there are no problems, some grave and some of a more minor nature, which exist in this country today. Problems have existed in the past; they exist now, and they will exist in the future. We were not born into a paradise, a sort of Shangri-la, where life would go on serenely at all times. The fortunes of this country and its achievements have not been built by Canadian people who, every time some difficulty arose, cried to the heavens and had their members run complaining to parliament asking what was the government doing about it.

The constituency of Edmonton West, Mr. Speaker, is one of the most heavily populated in this country. There are upwards of 120,000 people living in a relatively small area, composed of 85 per cent urban dwellers and 15 per cent farmers and small holders. The rural area is in the main a good productive area, the better part of which lies in the milkshed of the city of Edmonton. There are no vast farm holdings there, but the farmers of my constituency are an industrious group of men and women who have had the initiative to cope with their problems and get on with the job.

The city of Edmonton, of which I represent only a part, has made tremendous strides since the end of world war II. The population has more than doubled so that now in the metropolitan area of that city it numbers almost 275,000. This great growth has not been without problems and grave difficulties, to some of which I shall refer later. But again, Mr. Speaker, that growth, like that of the rest of Canada, has not been the result of appointing ourselves the death-watch beetles of our economy.

This growth of Edmonton, and of many of the towns in its area, has been in part the result of the developments in the oil and chemical industry. Notwithstanding the credit that may be assumed by certain people for the prosperity of Alberta, there is no doubt in the mind of anyone that this prosperity is in good measure the result of resources placed there by divine Providence. There has been generally good administration of all those resources. By this I do not mean to say that it has been the best of administration and due solely to the abilities of that political party which has administered the affairs of Alberta during that time. In my humble opinion it would have taken knaves and fools to do worse.

However, notwithstanding the claims of the Alberta government that it has done so well in the past ten years and that the provincial government is in the equivalent of a debt-free position, this position has been achieved at the expense of the municipalities. Great and serious demands have been made on the municipalities because of the vast expansion that has occurred in Alberta, yet the revenues of those municipalities have not been commensurate with the needs that had to be fulfilled and fulfilled immediately, not at some indefinite time in the future. The sharing of the wealth of the province has not been equitable. I would say, sir, that the buoyant financial position of Alberta has been, to a considerable extent, at the expense of its municipalities. The responsibilities of those municipalities are not all the creation of the provincial authorities. The change in social concept has imposed new burdens upon them, duties which have their origin also in laws passed by this house. I would submit, sir, that today even more than in the past our development makes it imperative that we have another look at our structure of government, federal, provincial and municipal, and that we reassess the responsibilities devolving upon these levels of government so that sources of revenue can be made commensurate with the responsibilities.

As the hon. member for High Park so ably pointed out earlier, in the sphere of municipal government we have one of our major problems existing in this country today. I would strongly recommend that the representatives of the municipalities take an integral part in the future deliberations between this government and the governments of the provinces of this country. It is my earnest hope that such representatives may be permitted to sit in as observers at the forthcoming conference later this month. I would further hope that they would be invited to participate as members in subsequent negotiations and conferences which will no doubt arise in the not too distant future.

I deem it an honour, sir, to sit in this house with my good friend the hon. member for Calgary South (Mr. Smith), to whom I must once again extend my congratulations on his address in moving the reply to the speech from the throne. There is always strong

rivalry between Edmonton and Calgary, and I hope that will continue for many years to come. I believe some of the progress in both these lively cities has been due to this rivalry. I need not emphasize that Edmonton occupies the forefront in population, in the commercial activity of its immediate area, and of course one must not forget certain athletic endeavours. There is one particular type of sport which at the present time occupies the attention of a good number of our people in Canada. Mr. Speaker, with the advent of these cooler temperatures I should like to warn hon. members of this house that once again there is coming out of the west, out of the land of snow, a fierce horde of Eskimos. Shortly many members of this house—

Mr. Knowles (Winnipeg North Centre): Don't speak too soon.

Mr. Lambert: —may find that on a Saturday at the end of this month they have business of some sort or other to transact in Toronto. The memorable struggle for the Grey cup will take place that day, but that is the sheerest of coincidence. To all those members who come from Ottawa, Montreal, Hamilton or Toronto, and may I add Winnipeg, I would give fair warning that this year's Eskimos are bigger, faster and hungrier than ever.

At this junction I should like to pay tribute to all those men and women who have devoted their time, their energy and in a good many cases a good deal of their money to support and encourage and direct the athletic teams of this country, be they the most highly qualified professionals or the most enthusiastic bunch of peewees or midgets in some community league. To them and to our sportsmen we owe a great deal in Canada.

As I have said, Mr. Speaker, the city of Edmonton has made great progress in the past 10 years. It has doubled its population in that time, by up to 15,000 per year in recent years. It has built thousands of housing units per year. Its commercial construction has kept pace. At the time of the election credit restrictions had reduced housing construction almost to a standstill. What was done? A plan was formulated by the builders and real estate agents to meet the needs of Edmonton. Along with the representatives of industry I was very pleased to bring this plan to the attention of the government.

The answer to this and no doubt similar proposals from others was quick action in making available $150 million for National Housing Act lower cost housing. Edmonton's reaction was to get on with the job, with the results as announced by the Minister of Public Works. Edmonton is among the leaders of this country in house building since the election. As of November 1 it had taken up $7 million of the fund to start 732 housing units. That is the sort of thing I referred to earlier. A problem existed but the answer lay in what the people did for themselves, given the opportunity. Mr. Speaker, I would suggest that they must be commended.

To date we have dealt with legislation to implement cash advances for farm-stored grain, increases in old age pensions and supplementary allowances, blind and disabled pensions, war veterans allowances and other changes for the benefit of veterans. These were emergency measures, the need for them having accumulated for a long time. They were but the first instalment in the fulfilment of a long legislative program of this Conservative government.

This is a prelude to the implementation of a national policy for the benefit of all Canada. This is not a promise of fulfilment tomorrow. It will take time, but given goodwill and the placing of national gain and development ahead of petty partisan advantage or politics, that program could come to fruition before too long.

In this national program I submit we must not be overly preoccupied with props and palliatives. Let us not neglect the foundation, the pillars and the roof of our economic structure. Let us not provide pillows and pads to cushion every fall to the detriment of national initiative and individual responsibility. We have heard a great deal about the rights of citizens, but what of the corresponding duties and responsibilities? We have heard little or nothing of them. I would ask those who seek to emphasize rights to dwell also upon those duties, to pause and reflect upon them most carefully—those duties of citizens and those duties of members of this house—not to any one particular group of our citizens but to the people of Canada as a whole.

Mr. Speaker, there are many matters upon which I could dwell and urge upon the government. I spoke previously of a national policy. This would include the development of that vast hinterland of the great northwest. There in that great majestic country of mountain, lake, forest and endless Arctic waste lies untold wealth. Therein lies part of the great future of this nation. If this generation is not to see the complete fruition of that development, let us pass on to our children and generations to come the legacy of a plan well conceived and well initiated. To northern Alberta will come a great measure of the benefits of such a program of northern development, and upon the people of that region devolves a greater than proportionate share of responsibility for the carrying out of that program. I feel sure that enlightened self-interest will prevail, and that they shall not be found wanting.

Mr. Speaker, for years there have been representations made to the government that an alternative trans-Canada route be built through the northern section of the western provinces, using the Yellowhead pass. These pleas have apparently fallen on deaf ears. I would submit, Mr. Speaker, that the present position of our national highway system is indefensible. We have wasted years in the past by inactivity, by a refusal to look to the future. The whole of the blame is not to be assumed by the federal government; the provinces concerned must too take part of the responsibility.

The present route utilizing Rogers pass is, I submit, the least preferable of any route. It is exceedingly costly to build, and there is some considerable doubt as to its providing a year-round route. On the other hand the Yellowhead pass has a much lower gradient and has not the snow conditions prevailing on the presently proposed route. From a national defence point of view it is essential that as soon as possible we develop alternative routes through the mountains to the Pacific coast. The degree of vulnerability to which we are exposed is frankly frightening. The few lines of communication that we have could be so easily put out of commission. Then from a tourist and a commercial point of view the arguments in favour of alternative routes are unanswerable.

Alberta is at the apex of the freight rate structure, and we should like to be able to ship out our products and bring in products from both west and east by the cheapest means possible, by road transport if that be the preferable way. There is no reason why we should have to depend upon long trips over United States highways to bring our goods from western Canada to eastern Canada and vice versa. It is ludicrous that people from northern Alberta who wish to go to the lower mainland in British Columbia or to the fine mountain resorts in the interior of that province should have to travel by United States highways. I need not point out that Canadian tourists spend far more in the United States than do United States tourists in Canada. I would say today, build our roads within Canada so that Canadians can travel in Canada if they choose to do so; so that they may spend their money here and get to know their country better.

This ability to get around one's own country might perhaps do something to dispel that lack of knowledge we have of one another's area. At the present time I find there is a regrettable ignorance of conditions in eastern Canada on the part of the people of the west, but perhaps not to the same degree that there is among the people of central and eastern Canada about the west.

In this connection may I be permitted this observation. As a western member in Ottawa I can find nothing, in fact less than nothing, in the newspapers of Central Canada about either the west or the far east of this great country. I do not know, Mr. Speaker, whether there has been erected a sort of paper curtain at the great lakes, but there are important things of interest to both citizens and members of government in central Canada happening in other parts of Canada. I do not know whether or not the reason for the situation to which I have referred is preoccupation with local affairs. However, if I may be permitted to do so I should like to suggest to the press of this country that they could do a great deal more for the unity of this country and the knowledge we may have of one another if they concerned themselves a little bit more with the events taking place outside the particular provinces or city in which a newspaper is published.

I hope I do not appear to be too critical, but I offer that suggestion as something in the way of constructive criticism. I believe that a newspaper has qualities which permit it to be more useful in that sphere than other means of communication. Radio and television, if not heard or seen, are missed, but a newspaper can be put aside and can be picked up tomorrow or can be passed from hand to hand. The printed word remains. I feel that perhaps in the not too distant future we shall have what I should like to consider a truly national press. I merely make that suggestion as a plea to have more news of Canada as a whole.

Yesterday, Mr. Speaker, we heard from the hon. member for Vancouver South (Mr. Broome). He pointed out some very serious criticisms about Trans-Canada Air Lines. Well, frankly we in Canada have been put in a most ludicrous position because of the monopoly which exists in favour of Trans-Canada Air Lines. In a recent number of the Edmonton *Journal* a story was written of two residents of Alberta, one from Edmonton and one from Calgary, who when coming back from the Orient had to land at Edmonton because the airport terminals in British Columbia were fogbound. Perhaps the members from British Columbia would not admit that, but fog does exist out there. However, they landed at Edmonton airport and were told they could not terminate their journey there; they would have to wait until the fog lifted in Vancouver when their aircraft, at some indefinite time in the future would go to that city, then take their chance on Trans-Canada Air Lines coming back to Edmonton

and Calgary. In addition, they were not permitted to make personal contact with their relatives. They had to speak to them on the telephone, one of these relatives down in the lobby and the other the traveller up in a room. They were not permitted access to their relatives because they had not been cleared by the immigration authorities.

There, I would suggest, we have bumbling of the worst sort. Why would the immigration authorities in Edmontoin not be able to examine those people and clear them? All that stems from the monopoly accorded to Trans-Canada Air Lines, which prohibits Canadian Pacific Airlines from landing at intermediate points in this country on its international route.

Frankly, how ridiculous can we get?

Yesterday we heard a speech by the hon. member for Montmagny-L'Islet (Mr. Lesage). With a great roll of thunder the hon. members of this house were assailed as to the so-called lack of policy by this government. I believe the hon. member called it government by postponement. In the most, to my mind, chameleon-like intonations he recited chapter and verse of the alleged and actual problems which face us today; but he will have to admit, as will most members opposite, that these problems existed prior to June 10. They were there. If the administration of that time did not know about them then they ought to have known about them. Either way it was dishonest. They did nothing about them if they knew of them, and as I say, if they did not know about them then they should have known. Theirs was government by ignorance, either wilful or blissful.

Yesterday we heard not one word of constructive suggestion; no alternative was proposed. Is that the policy of the official opposition or is it, as someone said on the other side of the house, their policy to see that those on this side of the house carry out the government's policy? I would have thought that the role of the official opposition, the responsible role of the official opposition, was to offer constructive criticism and alternatives, not merely to criticize for criticisms's sake or with an eye to certain forthcoming events.

An hon. Member: You were not here last session.

Another hon. Member: And all you fellows will not be here next session either.

Mr. Gardiner: You will join our ranks then.

Mr. Lambert: Many things have been said in this house which would bear repeating, but I have not the time at my disposal today. I would commend to the members of this house Her Majesty's speech from the throne, and it gives me great pleasure to support the motion of the hon. member for Calgary South.

Mr. E. B. Huffman (Kent, Ont.): Mr. Speaker, I find just a little difficulty in rising at this time after such a parade of Rhodes scholars in this chamber. Nonetheless I do not say that with any envy, because I do appreciate the privilege of sitting with those members who have earned that good fortune, and I appreciate the fact that we who have not had that privilege can join with them here. I would like to commend each and every one of the Rhodes scholars in this house who have seen fit to offer themselves for public service in this country, and I trust they will continue to do so for many years to come.

Some hon. Members: Hear, hear.

Mr. Huffman: Mr. Speaker, from reading in *Hansard* what has been said in regard to the position you hold at this time I find that if I were to express my opinion toward you I would have to repeat what has been said on a number of occasions. Therefore if I say to you today that I concur in everything that has been said as to the way in which you have conducted the proceedings in this house since you have taken the Speaker's chair I am sure you will feel that my reference to you, sir, is equally sincere as any other words which might have been used.

As I stand here today I am also reminded that on some other occasion a late member for Calgary South used to stand almost in this very area, and like the hon. member for Coast-Capilano (Mr. Sinclair) I enjoyed the privilege of listening to that former member because he always spoke without rancour or partisanship. I think when the present member for Calgary South moved the address we could detect many of the fine qualities which had commended the late Mr. Smith to all members of the house no matter where they sat.

There was only one thing I found missing. As I recall a conversation with Mr. Smith, I learned that he started out as a Liberal, so possibly the wheel will go a complete cycle and the present member for Calgary South will come back to the first political love of the Smith family.

An hon. Member: There is still hope for the hon. gentleman.

Another hon. Member: He has seen the light.

Mr. Huffman: I expected that. Mr. Speaker, at this time I would like to bring to the attention of the house a certain matter,

and my reason for doing so is because of a resolution passed by the regional women's institute convention held in Ridgetown, which is located in my district. The resolution is as follows:

> Therefore be it resolved that if no action has been taken in two years from date the income file was sent in by a farmer, individual or a businessman whose net annual income was $10,000 or less, that these returns become final and complete and that no further action can be taken.

I recall that on January 28, 1957, at page 695 of the first volume of *Hansard* for the session, there was a resolution before the house standing in the name of the hon. member for Middlesex East, in these words:

> That, in the opinion of this house, the government should consider the advisability of amending the Income Tax Act and regulations made under that act, so as to provide a final receipt for those income tax returns filed for the preceding calendar year for individuals whose income is $10,000 or less.

Now there is a great similarity to the resolution passed by the members of the women's institute meeting as recently as November 4 and 5. I would like to commend the members of this very important organization for taking such an active part in the things that pertain to government as well as to the home. I think each and everyone of us is very conscious of the very important part which the members of the women's institute play. We all know that in many cases they are the bookkeepers in small businesses, for farmers, and so on, and consequently they are conscious of the need for some regulation of this nature.

When the motion was before the house last January I suggested to the mover of the motion that I thought because the government had the right to go back over a two-year period to repay to a taxpayer any overpayment that might have been made, it was quite reasonable to expect that the government should have two years in which to investigate an income tax return if it so desired. I should also like to say that I think the people appreciated the action of the previous government when it reduced the period available for re-examination from six years to four years. I do hope that at this time the government will pay some attention to the recommendation which is made in this resolution and reduce the period from four years to two years.

I recall that in speaking on this item I did express the hope, as well, that instead of just including what is concerned in this resolution, namely those with incomes of $10,000 and less that because there are so few individual taxpayers or small business people earning above $10,000 I did not think it was in the public interest to discriminate in that field. May I refer to the words which the hon. member for Middlesex East (Mr. White) used in closing the debate on this subject on page 714 of *Hansard*:

> I greatly appreciate the suggestion of the hon. member for Kent, Ontario (Mr. Huffman) that a two-year limit might be acceptable. As I said, my intention was to bring to the attention of the government the problems confronting individual taxpayers. Again, the hon. member for Kent, Ontario, suggested that this include all individual returns except corporations, companies and so on.

Mr. Fraser: The hon. member for Middlesex East has that resolution on again this year.

Mr. Huffman: Yes, but it is in a different form from the previous one.

I think it is essential that real consideration should be given to this subject. When we had a period of six years for re-examination of an income return I think many people whose incomes were being re-examined found it difficult to explain many of the items which were in the return. Consequently, if this period could be reduced to two years as requested in this resolution I feel it would place the taxpayer and those people who are concerned with returns of this nature in a much better position to explain anything which might be asked of them.

There is another reason why I think this should be done, and done as soon as possible. We find that if the period goes back too far, normally the person whose income is being re-examined will find it necessary to get legal opinion, engage an accountant and so on, and any expenditure incurred in trying to have the income tax file cleared is not allowable as a charge which can be assessed as a deduction in the following year.

These are some of the things to which I think people are objecting, and so I commend these considerations to the government for examination and I am sure that when the Minister of Finance brings down a budget, as he has stated he will do, and when changes in the Income Tax Act are being considered this resolution as passed by the women's institute of the region from which I come will receive serious attention from the government. I can see no reason why this proposal should not be accepted because, on examination of *Hansard* at page 715 of the same date, January 28, 1957, I note that ten of the ministers who are now sitting with the government, five of the parliamentary assistants and others supported this motion. I note, too, that some of the ministers were not present when this motion was called. I certainly think, however, that the proposal would receive a majority in the cabinet in favour of the passage of this Income Tax Act change.

There is a further item I should like to bring to the attention of the government. I think it was put very clearly by the hon. member for Lambton-Kent (Mr. Campbell) when, speaking in this house on November 11, he said that Ontario wheat growers were in a worse position than the growers in the west as far as price is concerned.

During the month that this house has been in session I have asked the government if they would bring forward legislation pertaining to the resolution No. 8 on the order paper. That resolution reads:

> 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—

Some other words follow in connection with the establishment of a committee, and so on.

Now on the occasion on which I asked for this legislation to be brought in, before the debate on the address had been concluded, I felt that my request was a sincere one, and I was more convinced than ever that there was a good reason for making it after the hon. member for Lambton-Kent had made his remarks the other day. Last Friday the hon. member for Essex East (Mr. Martin) asked the leader of the house if this legislation would be proceeded with before the address in reply to the speech from the throne was concluded. I thought it was a rather unfortunate remark when the leader of the house said that the hon. member for Essex East and myself were only seeking publicity.

I would like to say that that was not the reason for referring to this motion and seeking to have it brought forward at the earliest possible date. I felt there was just as much reason for bringing this forward as there was for bringing forward the resolution with respect to cash advances. We were not interested in obtaining publicity, which was the term used by the house leader, and this definitely was not the reason for our raising the question.

One other reason for making this request was that almost as soon as the present government took office back in June there were representatives of farm organizations coming to Ottawa to lay before the government their requests for assistance of one kind and another. I believe the reason that the hon. member for Lambton-Kent spoke on wheat was because representatives of the wheat growers organization were in Ottawa. It will be necessary to have a change made in the Agricultural Prices Support Act because wheat is specifically excluded from that act at the present time. It was my hope that we would have notification on the order paper of the government's intention to amend the act at this session in order to include wheat. In addition, representatives of other primary producers and the growers of different commodities have come to Ottawa to present their claims. I believe the farmers in the Fraser valley and the primary producers in the eastern provinces have equally as much right to be heard and to have legislation passed to benefit them as have the prairie wheat farmers especially when we postponed the debate on the throne speech in order to bring forward as early as possible legislation concerning cash advances.

The other day I asked the government if the request of the sugar beet growers would be entertained. My reason for raising this question is that shortly the sugar companies will be negotiating contracts for the coming year. When the hon. member for Brant-Haldimand (Mr. Charlton), who is now parliamentary assistant to the Minister of Agriculture (Mr. Harkness), spoke last session, as reported at page 3319 of *Hansard*, on April 9, 1957, he said:

> We have always stood for a flexible price support program with prices based on a formula and stated well in advance of the production period.

At that time the house was discussing the amendment of the present Prime Minister (Mr. Diefenbaker) requesting establishment of adequate support prices.

The government has had all the necessary information that could be placed before it for the introduction of such legislation because the provincial ministers of agriculture have been here as well as representatives of the various farm organizations. I am sure that farm organizations across the country have placed this problem before the government. I feel that the longer we delay some action of this kind the more difficult it is going to be for the sugar company to get the number of acres under contract that many of us would like to see. I hope this legislation will be brought before the house at the earliest possible moment and that certain provisions contained in this resolution will be spelled out in such a manner that every one will know exactly what is going to happen with respect to a certain commodity. We would also like to know exactly what commodities are going to come under the Agricultural Prices Support Act.

From time to time there has been genuine concern in the rural communities because of the action that has been taken on previous occasions by hon. members opposite. We recall that on at least two occasions a parity

price motion has been before the house and on those two occasions hon. members opposite supported it. On another occasion during the past session the hon. member for Humboldt-Melfort (Mr. Bryson) presented a motion regarding 100 per cent parity, on which occasion our friends who now form the government voted against the motion.

Mr. Harkness: The Canadian Federation of Agriculture is also against that.

Mr. Huffman: May I say that the hon. member was against it.

Mr. Harkness: Yes, I was.

Mr. Huffman: There were the two occasions. Now, there was some difference in the motion itself—

Mr. Harkness: Yes.

Mr. Huffman:—but it was a parity motion. From time to time questions have been raised in this house concerning flexible prices, price supports, parity prices and deficiency payments and I think it will be a matter of some confusion to those in rural areas until we know exactly what is the intention of the government.

Under section 9 of the Agricultural Prices Support Act there is a form of parity. This section provides that the board will step in and buy farm products when the prices fall below the level of other products and that they will endeavour to maintain the prices of farm products at a fair relationship to the price of other commodities. This is the policy that has been followed since this act was passed in 1944. This act was in effect when this country underwent the transition from a wartime to peacetime effort and in many instances it certainly provided the balance which was needed in the industry. Possibly there were times when this stated floor price was not as high as we would like to have had it but at this time I hope the government will spell out in clear language exactly what it has in mind so that our people can follow the example recommended by the parliamentary assistant to the Minister of Agriculture when he said we should have this well in advance of the production period.

Many primary producers organizations are meeting at the present time. I have had the farm union representatives call on me at my office and I know that the Ontario Federation of Agriculture met in Toronto last week. I was notified that this organization passed a resolution asking that the government consider the extension of cash advances to include primary producers in all of Canada which is the same position I adopted in this house.

When the present Prime Minister spoke on April 9, 1957, as reported at page 3305 of *Hansard* of that date, referring to the Agricultural Prices Support Act he said:

> —that a policy has developed that is used only in extreme circumstances, and that its present uses are not providing the necessary floors to maintain a responsible, profitable agriculture . . . we believe that action must be taken and taken at once.

Therefore I commend to the government at this time the words of the Prime Minister and the words of the parliamentary assistant to the Minister of Agriculture who is in my view the listening post for agriculture in eastern Canada. I trust that the hon. member for Brant-Haldimand will use his influence with the Minister of Agriculture in seeing that the primary producers in every part of the country will receive consideration as early as possible. There are other quotations that I might use in regard to this very problem but I feel that I have said enough along this line.

At this time I would like to make a suggestion to the government in this form. For some years past we have found that storage has been a problem in this country. There is a regulation in the Income Tax Act to the effect that if a company or an individual wanted to build storage they could apply to the minister of trade and commerce, whose department gave approval to the project. If that project was approved, accelerated depreciation was allowed and it could be depreciated at 33⅓ per cent a year, or in full in three years. I would like to suggest that at the present time the terms of the act might be extended to individuals who would like to build storage in which they would be able to maintain their commodities at home so that they could be fed in market channels when they were needed and in that way there would be provided one of the better balances that are necessary in agriculture especially.

At the present time the Income Tax regulation works in this way. If the construction is of steel the depreciation is 2½ per cent so that it takes 40 years to get full depreciation. If it is of wooden construction the depreciation is 5 per cent so that it takes 20 years to get full depreciation. Therefore, there is not a great deal of encouragement for anyone to build the storages because of the depreciation allowances in the Income Tax Act. My two recommendations have to do, first with the Income Tax Act as it applies to the length of time for re-examination of files; and, second, accelerated depreciation. I commend them to the government. I think it is a case of live and let live; but live and let live is never as good as live and help live which is a part the government can play.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it has not been my practice in the years that I have been in this house to join in the chorus of congratulations which this debate seems to draw forth. I have been quite content to let the leader of this group speak for all of us in the felicitations that he has extended during the course of the debate on the address in reply to the speech from the throne, as he has done at this session. However, on this occasion there is one word that I would like to say. As a previous speaker has already pointed out, it is exactly a month ago today that this house chose the hon. member for St. Paul's to be the Speaker of the House of Commons in this twenty-third parliament. I was more than satisfied that day that we were making a wise choice and I am sure all members agree with me that the intervening month has proven the wisdom of our choice. Indeed, His Honour has occupied the chair with dignity. He has been fair and firm in his decisions and, as another hon. member has pointed out, he has exercised the good humour that is required in the pursuit of his duties. We are satisfied that His Honour will do a good job. We give him our support and we wish him well.

It has been our practice as a C.C.F. group in parliament, during the years that we have been here, to welcome good legislation no matter who brought it in and even if there were some who thought that that legislation was stolen from our platform.

In that same vein we have welcomed the legislation which parliament thus far has been given an opportunity to endorse, particularly the legislation respecting cash advances to prairie farmers and the legislation in the social security field. We shall continue to give our support to beneficial legislation that is brought in by this government, or any government that may be in power at any time. Nevertheless, Mr. Speaker, so long as we are in the opposition we shall remember that it is the job of an opposition in this democratic parliament to point out the shortcomings of the government in power and to prod that government into the implementation of its own promises and into the implementation of other measures that are for the good of the people of this country. I can assure the members of the present government that we in this group will continue to fulfil that role even as we sought to fulfil it during the days when the Liberals sat to Mr. Speaker's right.

In my remarks this afternoon I intend to point out some of the serious shortcomings of this government which are already showing up and I intend to do what I can to prod this government into action along certain lines. Perhaps at the start I should remind hon. members opposite, both those who are in the cabinet and those who are on the back benches, that they delude themselves if they interpret what happened on June 10 as meaning that they were elected on their own merits. What happened on June 10 was that the people of Canada voted against the former Liberal administration. The people of Canada were disappointed in the slowness with which that former administration moved in such fields as social security and the people of Canada were apprehensive with respect to the dictatorial manner in which the previous government was handling parliament. Therefore, on June 10, Canadians went out and voted against the former government. The result of that vote was that no party had a majority of the popular vote in this country and no party had a majority of the seats in this House of Commons. In other words, this present government, with a minority of the seats and with a minority of the popular vote, is in power more or less by default. This government is still in the position of having to prove its worth to the Canadian people and I suggest that there are signs that it is not going to succeed in that effort. In fact, I suggest there are few signs of that effort even being made.

I know that it is a very popular type of speech for hon. members opposite to make to list the things which have been done already in this session of parliament which have had the endorsation of the entire House of Commons. May I point out that all of those items that have been put through are items that simply had to be passed because of the way in which the votes were cast on June 10. Those were issues that were discussed from the Atlantic to the Pacific in that election campaign. There was deep concern over social security measures. There was deep concern over the position of the prairie farmers. In fact, the government was just the instrument for bringing before parliament some of the things for which the people of Canada voted on June 10.

But after you have looked at those items of legislation, beneficial and acceptable as they are, I suggest that all you have from this government opposite is a bits and pieces program, without any general over-all policy or philosophy. Where does this government go from here? Where does it go when it has finished putting on the statute books the items that have been mentioned in the speech from the throne? Where does this government go in certain important fields which I shall indicate in a moment? In fact, I suggest that one of the reasons the government

opposite is trying its best to lay the groundwork for an early election is because it does not know where it is going after a few more items have been passed.

Apparently the election may come sooner than some people think from a remark that was dropped this afternoon by the parliamentary assistant to the Minister of Public Works (Mr. Hodgson). He interjected to say to some of the Liberals opposite him that some of them would not be here at the next session. If he knows what he is talking about, that means the plan is for an election before the next session of parliament. Perhaps he is right for, as I say, the government is running out so far as its bits and pieces program is concerned.

Now, Mr. Speaker, in order to be quite specific when I make the statement that this government has no over-all policy, that this government does not know where it is going, let me list a number of fields in which any government worth its salt should give leadership. I will take only a minute to talk about trade because it has been talked about very effectively by members in other parties on this side of the house, and it was spoken to very forcefully, very effectively, a few days ago by my colleague the hon. member for Dauphin (Mr. Zaplitny). The government does not know whether or not it wants to shift 15 per cent of our trade from the United States to the United Kingdom. The government does not know where it stands with respect to the United Kingdom's proposal for a free trade area between this country and that. The government does not know whether or not it wants to take the necessary steps to develop trade with China. In the whole field of trade, this government simply does not know where it is going, has not got any over-all policy.

The same remarks are true of the field of finance. The government uses constitutional excuses for not telling us, through the Minister of Finance (Mr. Fleming), what that minister is saying in his conversations with the governor of the Bank of Canada. But it is quite clear that the same Minister of Finance does not know whether or not he favours tight money or easy money; does not know in what direction we should be going in terms of the control of finance, in terms of control of investment, in terms of social planning so far as finance is concerned. In fact, I suggest that those opposite are completely at sea so far as the real, basic factors in financial policy are concerned.

The government is likewise at sea in the field of taxation. They do not know where they are going and they do not know what they are doing. The Minister of Finance told the press last July that there would be a budget at this session. Can we get out of him now whether or not there is going to be one? I defy anyone to determine, from what the minister has said in answer to questions, whether or not there will be a budget at this session. He probably does not know because the bringing down of a budget involves some changes in taxation structures. During the election campaign the Conservatives promised they would raise the tax exemption levels. I suppose they are sufficiently familiar with income tax matters to realize that if they raise the income tax exemption levels without making any other changes they will be giving the greatest bonanza to those in the upper income brackets. Perhaps they realize that if they are going to do all the things they are proposing, and at the same time raise the income tax exemption levels, they are going to have to find some other sources of tax revenues and that would raise the question of what they should do about taxation in the upper brackets; that would raise the question of what they should do about corporation income tax. I say, Mr. Speaker, those at your right are at sea in this field; they do not know what they are doing. This is a time that calls for leadership in these fields. There is no sign of it from this bits and pieces government across the way; this government that can use high-sounding words but cannot give any leadership, cannot tell parliament when anything is going to be done or even what is going to be done.

The same remarks are true in the important field of federal-provincial relations. There is going to be a conference and it is only a week or two away. Can we get out of the government any indication of what its plans are? All we can ascertain is that some of the provincial governments are going to put a rather terrific squeeze on this government, and our fear is that some rather unfortunate changes in federal-provincial tax-sharing arrangements might be made which could have the effect of lessening the unity of Canada so far as taxation matters are concerned. This is an extremely important field and the federal government should be giving the lead. No government can give the lead in a matter like this unless it knows where it is going and this government, despite all the bits and pieces of fine legislation we have had at this session, does not know where it is going.

I might mention housing. The government and its supporters like to stand up and talk about that move to increase the amount of money available under the National Housing Act, which was already there under the previous legislation. But there has been no suggestion that this government realizes that

what is really needed is a reduction in the interest rate on mortgages, or that what is needed is the provision of housing on a no-down-payment basis such as has proven satisfactory in the United States. This is an important economic and social problem affecting our people. This is something in which there should be leadership, but at a time when we need such leadership we have in power a government that is there only by default, not because the Canadian people put them there but because the Canadian people put the Liberals out. This government has failed to give leadership in this important field.

I shall not take the time to go into agriculture because that has been fully debated in this house, and my colleagues have spelled out the situation. It is clear again that this government is prepared to bring in certain palliatives to assist the farmers in western Canada in getting their yearly income, such as it is, spread a little more evenly throughout the year. However, this does not solve the basic problem of the price-cost squeeze so far as the farmers are concerned. It does not solve the problem of enabling the farmers to receive their fair share of the national income. I suggest that here is another field in which this bits and pieces government is completely lacking in any over-all policy.

Mr. Harkness: You are suggesting nonsense.

Mr. Knowles (Winnipeg North Centre): I turn to the field of labour. My hon. friend is an expert in nonsense, and I leave that field to him.

Mr. Harkness: You know more about it than I do.

Mr. Knowles (Winnipeg North Centre): I turn to the field of labour. Here, too, there is a woeful lack of leadership. During the election campaign there were many speeches made by the Prime Minister (Mr. Diefenbaker) and others as to what a Conservative government would do in the field of labour. They were going to amend the Unemployment Insurance Act; the benefit period was to be extended to a full year and benefits were to be increased. These were not items that were going to be attended to some time a few years from now, these were things that the Conservative party suggested they would go at immediately. Now when the Minister of Labour (Mr. Starr) is asked about amendments to the Unemployment Insurance Act he gives us that same old answer the Liberals used to give us, he is studying the matter.

This government promised the labour people of Canada in the course of the election campaign that there would be an overhaul of the national labour code; that the conciliation procedures would be speeded up. Does the government not realize that there is every possibility that within a matter of months it may be faced with a number of labour disputes?

Surely hon. members are aware of the situation that may possibly develop between the non-operating employees of the Canadian National Railways and the Canadian Pacific Railway. Is this government going to do the same as the last government did, namely wait until the dispute has reached a crisis and then in the middle of the crisis, change the rules? Oh, they did not like it when the previous government did it. But this present government has no policy and is giving no lead in this field. It does not know where it is going here any more than in any other situation.

The government talked about legislation to provide for minimum wages and for annual holidays with pay and for statutory holidays. The Prime Minister made speeches like that, particularly during the early part of this year and during the election campaign in various parts of Canada, but so far this session we have had only one measure touching any of these fields; and even in that one measure the government has fallen short of the request made to them in all sincerity and in all faithfulness by the Canadian Labour Congress as well as by other labour organizations. It looks to me as though the government does not know what it is all about and that it does not understand labour matters any more than it understands some other matters. Certainly it is not giving any lead in this field. I cannot say we have bits and pieces; we have just one bit so far as labour legislation is concerned.

The same thing is true in the social security field. I know that hon. members opposite think it is wonderful what they did in a short space of time by way of amending various statutes that had been on the books for a few years, in some instances, or many years, in others. But I submit to you that there was no real analysis of the situation as to the amount of the pension necessary for our senior citizens and others. I submit to you that the $55 figure which is now the law of the land does not measure up to the Prime Minister's assurance to the old people of Canada that, if his party came to power, they would receive a pension to meet today's cost of living.

I submit to you that, in the light of the increase in the gross national product since 1949 when the figure of $40 was set, there was a complete lack of policy, a complete lack of fairness and a complete lack of justice to give to our people only that much increase

when the increase in the gross national product has been something over 80 per cent, which means that the increase in old age pensions should have been brought up to something of the order of $75 a month. There is no real policy on the part of the government, no leadership, no understanding of the basic issues, no concept of the social factors involved in this matter. It is just a government that likes to indulge in words, that enjoys being in office, that enjoys the fact that it is administering the affairs of the country, enjoys the fact that it is able to bring in some bits and pieces of legislation but which in the long-run has no over-all policy and indeed has no policy with respect to these individual items.

Where is it in the field of transportation? It has some real problems facing it in connection with the Canadian National (West Indies) Steamships. There will be problems arising because of the relationships between the railway employees and the two major railways in this country. There will be problems arising because of demands for increases in freight rates. Here is a field, the field of transportation, in which some real understanding and some real leadership is called for. But we have a government that does not know where it is going at all.

Where is it with respect to air transportation in this country? Hon. members are aware of the interesting exchange we had this morning with the Minister of Transport (Mr. Hees) with respect to the application made by Canadian Pacific Air Lines to compete with Trans-Canada Air Lines on the Montreal to Vancouver route. Hon. members are aware of the attempt of the cabinet ministers to be extremely careful and extremely cautious on this point. Yet at the same time from back benchers on the Tory side of the house there is carping criticism of what they refer to as to the T.C.A. monopoly which, I suggest, is one of the fine examples of something that is important in this country, namely public ownership of a natural monopoly. Not only do they not know where they are going, but ignorance in this field means that they are likely to slip back.

Where are they in the field of pipe line policy? They do not know. They have had to appoint a royal commission to find out what should be done in that field. In the meantime many questions are left unanswered, despite the fact that hon. gentlemen opposite joined with us in 1956—I know it was at the end of the debate but nevertheless they joined with us at the end—in calling for public ownership of the Trans-Canada Pipe Lines Company so that the money to be made out of this natural monopoly might accrue, not in millions to private individuals but to the people of Canada as a whole. Where are they going now in pipe line policy? They know no more in that field than they know in these other fields. They are a bits and pieces government that comes down with a few items of legislation, all of which are good, but it has no over-all philosophy, no over-all understanding as to where it is going.

What is its policy with regard to the Canadian Broadcasting Corporation? We have ideas as to what they might like to do as regards the Canadian Broadcasting Corporation. At least it is not going to be sold, at least not for $50 million. The Prime Minister made that point clear. But where are we going with respect to the C.B.C., with respect to the Fowler report and these other important matters?

Another field in which this government is very much at sea is in the field of defence. I leave the matter at that for the moment because I want to come back to it in a few minutes in connection with my remarks. Likewise I suggest that it is at sea in the whole field of external affairs and on that matter too I will say something in just a moment.

But before I do so I should like to come back for just a moment to the question of the old age pension and say that the people of Canada have found it quite a disappointment that a party which gave the impression to the country during the election campaign that it stood for $60 a month—that impression was given very carefully; it is hard to pin it down, but the impression was given—should now try to buy our older people off with $55 a month. We still feel that under present conditions the pension should be $75 a month, but the least that the party opposite should have done was to implement the promise it made, namely that if elected it would bring in $60 a month. As hon. members know, a situation developed in my own experience that made it necessary for me to be home in Winnipeg for a few days, in fact while these social security measures were being debated. As one would expect, I picked up comments with regard to this matter from a number of people. I say to you quite frankly, Mr. Speaker, that I thought people would be pleased, that that would be the only kind of comment I would get, namely that the people would be pleased that the pension was to be increased to $55 a month, that people would forget that we had asked for $75. Mr. Speaker, I had many a phone call and met many persons on the streets of Winnipeg who expressed nothing but disappointment that this government which gave the impression they stood for $60 tried to buy the old people off with $55 a month.

That is not leadership. That is not facing up to the needs of the day. That is not being faithful to the promise that these old people would have a chance to keep up with today's cost of living. This is the work of a bits and pieces government that does not know where it is going and that is not conscious of the real needs of the people of this country.

When are we going to get action with regard to the pensions of superannuated civil servants? When are we going to get some action with regard to Canadian National Railways pensioners, particularly those who are still on the basic pension of only $25 a month? Those are matters on which hon. gentlemen opposite, along with us in this group, had a great deal to say when they were on this side of the house. But now that they are on the other side of the house, what do we find? Oh, we get words. We get the same kind of assurances that the Liberals used to give us but we still get no action. These people are supposed to be satisfied with the general legislation that has been passed, but that is not good enough.

There is another item concerning which this government is showing that it is not a cabinet that is prepared to give leadership and that is in this whole field of health insurance or more particularly hospital insurance in the terms of the legislation that was passed in this house last April. I read again today some of the debates that took place last April. The Conservatives who at that time sat over on this side of the house insisted, along with us, that amendments should be made in that legislation to extend its coverage and to make possible its early implementation.

The Conservatives in the early part of 1957 wanted the six province requirement reduced to five provinces so that this legislation might be brought in with the least possible delay. Well six provinces have now indicated their agreement so we have got over that hurdle.

These people who wanted action when they were on this side of the house are now on the other side where they can do something about it, but they tell us no agreements have been signed with any of the provinces and they are now even quibbling over the meaning of the words "in operation" and "in force". This looks to some of us as though an attempt is being made to stall the implementation of the hospital insurance program just as long as it is possible to do so. I have no doubt Premier Frost will be remembered and that his desire to have his plan in operation by the first of January, 1959, will not be overlooked, but Premier Frost and Ontario are not the only premier and only province in Canada.

We submit that those provinces which already have plans—British Columbia, Alberta, Saskatchewan and some of the others—are entitled to their share of federal money just as soon as six provinces have their plans in force so far as legislation is concerned. That is the way the act reads and I defy the Minister of National Health and Welfare (Mr. Monteith) or anyone else to put any other interpretation on the legislation which was passed last session.

I remind the house that the minister of health in the province of Nova Scotia is calling for a clear statement as to where the government stands. The minister called for that information by letter dated September 30 and again on October 16 he referred back to the previous letter asking for a statement, which he seems unable to get. When the premier of Saskatchewan sought information on the matter in a letter during the summer the Prime Minister told him that he could not make a statement prior to the opening of parliament in October. Well parliament has been in session for a month and we still have no statement. For a while we were told it would not even be put on the agenda of the federal-provincial conference on November 25 and 26. Now we are told it can be discussed if the provincial premiers want it discussed.

Well, Mr. Speaker, these gentlemen across the way may be proud of the fact that, as they think, they won the election; they may be proud of the fact that they are in power but they are not giving leadership in this important field of health; they are not giving leadership in any field, and I submit to the government members that unless they do come through with something in terms of leadership on this important item their days on the other side of the house are numbered.

There is another field in which we are not getting leadership from across the way. We have moved into a new era—let us admit that; it is a simple statement of fact—since the day when the first sputnik was launched. It is a new phase of life so far as mankind is concerned and yet these people opposite think of everything that has happened, so far as the Russians are concerned, as only a military challenge. Well it is a military challenge all right. It should make us think about our so called defences but I submit that the tremendous advances which the Russians have made in the scientific field call for far more than just the kind of panic that causes us to reappraise our military

defences: it demands that we re-examine our whole approach to a number of very important aspects of our way of life.

One thing it calls for is a tremendous expansion of what we spend and of what we do in the field of scientific research. This is something which is supported not only by those of us in this party but by members of other parties who have placed resolutions on the order paper. As a matter of fact a few days ago I noticed in a newsletter of one of the banks in this country—certainly no socialist organization—a strong plea for tremendous increase in the amount of public money to be spent on both basic and applied research.

I say, too, that if we are going to meet the challenge which the Russians have given to the world we have got to do something about our whole educational situation in the west. No longer should we hold back on this question of the federal aid to education because of some of the niceties which have been brought out in debate in years gone by. Yes, we have the British North America Act which gives the provinces full control over education, and that fact must be respected, but the opportunity for education in all of the 10 provinces of Canada to be raised considerably by means of financial aid is here for any government that will give the leadership required. The last one did not do it; this one has shown no sign of it. It looks as though in the next election the people will have to vote for a real change instead of merely the fictitious change they got on June 10.

I suggest also we have to do something to try and capture for our free way of life the enthusiasm and the zeal of our people in the way the Russian regime has captured it for their dictatorial way of doing things. To me one of the ominous things in the world today is the fact that that regime has been able to stay in power for 40 years. We do not brush it aside by simply saying it is a dictatorship, that it is a form of slavery. Any regime that has been able to stay in power that long has somehow been able to captivate its people and to get its people feeling that life under that regime and life in pursuit of the objectives of that regime is worth while. I submit that is one of the reasons they have been able to make these advances in science.

When we ask for adequate social security, for adequate old age pensions, for a proper national health program; when we ask for the social and economic planning necessary to eliminate unemployment altogether and when we ask for public ownership of some of our great national projects, we are suggesting that we should have the kind of society under the banner of freedom in which every citizen of the land feels he is a participant in the things we are doing. We can do these things to a much greater extent than can be done under a system of slavery or dictatorship, but as yet we do not seem to have the leadership that calls forth that sort of zeal and enthusiasm.

I urge that there be such leadership in this country and that this government realize that during the time it is in power it should be giving some of that leadership. There should also be leadership in the field of external affairs. I have in mind an editorial in the Vancouver *Sun* of which copies I believe were sent to all of us. I think it is time we shook off the Dulles era of diplomacy; it is time we shook off the notion that you can deal with the Russians by insulting them; it is time we shook off the notion that when they produce their intercontinental ballistic missile our only answer is a speed-up of the arms race on our side.

I am conscious of some of the things which were said by some of us in a debate a few years ago. We were a minority but we expressed the fear that a certain course of action which the west was taking would be a case of going beyond the point of no return. Maybe we are beyond that point and if so the time has come to realize that the Russians, even with their present superiority over us, are just as afraid of annihilation as we are and just as afraid of world war as we are. Surely the time has come for the west and the east to sit down as equals, to realize that we have tremendous scientific possibilities and to try to work out a basis of living together, using this modern scientific knowledge to build a better world for all mankind.

This is not an age in which to be frightened; this is not an age in which to panic into more defences and into an arms race; it is not an age in which to give a country like Canada only a bits and pieces program. This is an age in which the government should be giving leadership. The last one did not do it and this one shows even less signs than the last one of giving the leadership we so sorely need. It may be that the Canadian people will have to avail themselves of the next opportunity—the next election, which no doubt is not far off—to put in power a party with vision—a party prepared to give leadership in times like these.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, in rising in this house for the first time let me congratulate you on your

appointment to such a high office. I wish also to congratulate the mover and seconder of the address in reply to the speech from the throne. Rising to speak in this house is somewhat different from rising to speak in my own local union but I am proud to say—and this is no reflection on parliament but a boost to my union—that the big difference is all in favour of the union, because nowhere in all of Cape Breton would you find a group of men who would continuously denounce and criticize any business before them and then rise as one entire bloc in their places and vote for it.

I must apologize to the hon. member for Bonavista-Twillingate (Mr. Pickersgill). We are sorry that we who are the so-called backbenchers of this party do not act in accordance with his expectations. We have no intention of following the example of the backbenchers of the previous government. I further feel that since I have been elected to represent Cape Breton South I should be lacking in my duty if I were to sit idly by while an hon. member in opposition thinks he is qualified to speak for the maritimes, when he and his party have failed to act in that respect. I am perfectly willing to listen to anyone on national issues, but I still feel that maritimers are best qualified to speak on maritime problems, and we are elected for that purpose.

I would remind the house, that during world war II the constituency of Cape Breton and, in particular, the town of New Waterford, had the highest percentage per capita of volunteer enlistment of any part of this country, and yet since the war this achievement has been met by a complete lack of appreciation by the previous government.

Miners who during the war were considered so important to the war effort that they were "frozen" to their jobs, and even taken out of the service to work in the mines were made jobless without any consideration from the past administration.

You will forgive me if I say that I enjoy the predicament in which the official opposition now find themselves. It is very similar to that of the Cape Breton miners during the past 12 to 15 years. The thought of another election to them is somewhat like the threat of mines closing down to the Cape Breton miners.

The opposition speaks of giving the present government an opportunity to carry out their election promises. This comes rather inappropriately from them in the light of a statement made in this house by the member for Charlotte (Mr. Stuart) as reported at page 183 of *Hansard* of 1957:

> 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 few months.

I say to you, sir, their contemptible attitude is one they intend to continue as long as it fits in with their political purposes, and it indicates we can look forward to a change following their convention, at which time they hope to re-organize and re-group.

Everybody in this house knows that the maritime provinces have had, and still have, grievances due to economic difficulties that the previous government would do nothing about. The hon. member for Inverness-Richmond (Mr. MacEachen) admits this, and he had this to say as late as Monday as recorded at page 972 of *Hansard* of November 11, 1957 as follows:

> The present Progressive Conservative leader and his candidates, as I say, capitalized upon this peculiar and legitimate grievance, and presented a commitment to the people of the Atlantic area prior to the election of June 10.

Since he himself considered it a legitimate grievance, I would remind him it was also an old one which he and his party failed to recognize and deal with.

He drew the remarks of the Prime Minister (Mr. Diefenbaker) in respect to coal subventions to the attention of this house, and he referred to the throne speech in which it was stated that this government was prepared to pay subventions on the movement of coal for power purposes in the maritime provinces. Let me now draw to the attention of the house what his leader had to say in respect to the maritime problems according to a press report:

> If it was found that power could not be produced at reasonable prices, the Atlantic provinces would have to do without.

He further stated that eventually coal would be too valuable a material for production of synthetic products to be used as a fuel. He did not want to see coal centres turned into ghost towns, but he would not encourage any immediate substantial increase in coal production. It would not be fair to future generations in the maritimes who would greatly benefit from the increased value of coal as an industrial raw material. If federal developed thermal power aided Nova Scotia coal mines, that was incidental. His concern for a ghost town of the future is most touching. I would also draw the attention of the hon. member for Inverness-Richmond to page 974 of *Hansard* when he quoted a statement made by the Prime Minister in Minto, New Brunswick:

> There should be and must be a subvention on coal transported within these provinces for power purposes.

Well, he had his answer this morning. I should also like to draw the attention of hon. members to the attitude of the former minister of fisheries as contained in a press release from Westville, Nova Scotia, on November 25:

Westville, March 25. The mayor of this Nova Scotia mining town feels Hon. James Sinclair, dominion fisheries minister "should have been chased out of the province for what he said about our coal industry" during a visit to the province.

Mayor Alfred Matheson was one of several civic and union officials in Nova Scotia's coal producing areas to criticize remarks made by Mr. Sinclair in a recent address at Antigonish, Nova Scotia.

The fisheries minister was quoted as saying that uneconomical coal mines must eventually close and that in view of a tremendous demand for labour in Canada there is "no point in subsidizing an industry merely for the sake of providing employment".

Mr. Sinclair later told a press conference "the only value of a subsidy is to tide an operation over a difficult period, if in the end you see that it is going to be of value".

I may say, sir, that the former prime minister figured that coal would be very valuable in the future. The press release continues:

"Mines are not like fisheries. They do not work out, and there is no sense in trying to keep a mine alive which you know is going to be permanently uneconomical."

In his reply, Mayor Matheson said that wheat farmers, gold mines, railroads and even fisheries receive subsidies. He also referred to unfair competition to Nova Scotia miners from the importation of 33 million tons of American coal a year.

"We're fighting for another coal mine in Pictou county and we shouldn't let some western politician come in and knock us down", Mayor Matheson said.

United Mine Workers Locals have also criticized Mr. Sinclair's statements.

Union officials at Princess local in Sydney Mines termed the statement, "brazen, and a black eye to organized workers in the coal industry in this province".

William Carey, a board member of United Mine Workers, told union members that "to have the Minister of Fisheries come into Nova Scotia and dictate a policy cannot and will not be accepted by the coal union".

Mr. Sinclair, who arrived in Vancouver today, declined to comment on Mayor Matheson's statement.

He reiterated his previous remark that there "is no point in keeping these marginal operations going with subsidies on the grounds that they provide employment when there is such a shortage of labour all over Canada".

I do not wish at this time to elaborate on the situation of the coal industry in Nova Scotia. With the change in ownership it is hoped that the Avro Company will improve the position in Cape Breton. But I do say now that a pressing problem for the miners of Cape Breton is the matter of wages and working conditions. The miners of Cape Breton have sacrificed much these past years. One has only to go back to the Sir Andrew Rae Duncan royal commission report to realize what they have contributed to the industrial life of this country. At that time the commission felt that the miners who were the backbone of the company were entitled to a raise. Company policy was that they were part of an over-all industry and as such could not receive any rate. Today however the company has reversed its position and our miners are still suffering. I might point out that if the company had continued its previous policy the miners would be in a much happier position and the losses suffered at some collieries could be easily absorbed by the over-all profits and further closings could be thus eliminated.

I would now like to make a few brief remarks for the benefit of the hon. member for Bonavista-Twillingate the former minister of citizenship and immigration. I have representations from groups in my constituency that would prove the administration of that department under the hon. gentleman was nothing less than discriminatory. This could be further supported by the opinion voiced by the Canadian Labour Congress. On Tuesday the hon. member saw fit to criticize the makeup of the present cabinet. I find this a strange attitude indeed considering his own position in the last cabinet. This hon. member in his own written opinion is an expert on fish; that is in his own written opinion.

I also wish to comment on the remarks of the hon. leader of the C.C.F. party. To my surprise this party that makes so much of the slogan "The Political Arm of Labour" through its leader had this to say as reported at page 855 of *Hansard* of November 7, 1957:

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?

The hon. member was referring to the commencement of construction of the South Saskatchewan river dam. The hon. member says in effect that Saskatchewan would pay the whole cost of electrical installation, but if the dominion government is to assist the maritimes in power development it must at the same time aid Saskatchewan. This is the crudest kind of political horse trading I have ever heard of. We supported legislation to help western wheat growers but we did not do it on a quid pro quo basis in return for comparable benefits to the maritimes; we supported it as proper and necessary legislation to assist western farmers. I suggest to the hon. member for Rosetown-Biggar (Mr. Coldwell) that he should take a

similar stand in respect to legislation designed to assist us. Where would we get with legislation in this house, I ask the hon. member for Rosetown-Biggar, if every member said, "Yes, I will vote for this legislation if you will do the same thing for my constituency". It would mean putting dominion politics on the auction block of local self-interest.

An hon. Member: What is it on now?

An hon. Member: You are still young.

Mr. MacInnis: I am glad to see there are so many who are willing to represent Cape Breton South in this house, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): A good riding.

Mr. MacInnis: In reference to further local problems I would like to draw the government's attention to the conditions of the local harbours. Sydney harbour, which during world war II saw more shipping pass through it than any other harbour on the eastern seaboard, is now in a run-down condition. Its one wharf has long since been condemned. With the opening of the St. Lawrence seaway Sydney could once again become a very important seaport. Numerous inquiries from world cruises had to be by-passed because of lack of facilities. This problem is under consideration and work will commence next spring. However, I will be pressing for greater improvements.

The harbour at Glace Bay is also being given consideration and further plans are being worked out. Conditions for local fishermen along the coast are anything but desirable and an improvement will be looked for. It is my intention to keep the problems of Cape Breton South very much in evidence and the co-operation shown me by the government to date has been very much appreciated and I feel certain that the government will continue to recognize the needs of the maritime provinces.

Another matter I am obligated to bring to the attention of the house was a remark passed by a member of the official opposition. It came at the time the hon. member for Cumberland (Mr. Coates) had asked the Minister of Mines and Technical Surveys (Mr. Comtois) a question regarding the Springhill mine disaster. This statement was not included in *Hansard*—

Mr. Knowles (Winnipeg North Centre): Why?

Mr. MacInnis: —but nevertheless it was made. The hon. member to whom I refer cried out, "Send them a wreath". I say that the hon. member responsible for this remark has much to be ashamed of.

[Mr. MacInnis.]

In closing, Mr. Speaker, I wish to point out that the opposition cry about promises made during the election campaign, but if their own tactics—not promises but intimidation—had worked they would continue to feel justified that they were doing the right thing. If any of my hon. friends feel that these remarks are unwarranted I would refer them to the tactics used in Newfoundland and Nova Scotia and as a further reference to the Ottawa *Journal* of May 18 carrying an article which contained a remark made by an hon. member of the official opposition who in speaking to a civil service gathering had this to say:

> That civil service wide salary increase could come as soon as the vote in the general election has been counted.

But the hon. member qualified it, linking it to a Liberal election victory. What can this be but intimidation?

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, though it is now some time since the opening of this debate I feel that I should begin my remarks by felicitating the mover (Mr. Smith) and the seconder (Mr. Arsenault) upon their maiden speeches in this house. I thought that despite the apprehension which the mover of the address said he felt he spoke with the easy assurance of a veteran and displayed none of the nervousness which we have come to associate with a member's first speech in this house. I was not a member of the Commons at the time his father was in this house but as a reader of *Hansard* I must say he created upon my mind a most favourable impression and I note from what has been said during this debate that that favourable impression is shared by many hon. members who are present today.

(Translation):

Mr. Speaker, I was pleased also to hear the new member for Bonaventure (Mr. Arsenault). He spoke with great ease on the conditions in his constituency. He was rather pessimistic about agriculture, the lumber industry, mining and fisheries. This was all very interesting but, in my opinion, he was forgetting that all those matters come under provincial jurisdiction. Consequently, Mr. Speaker, may I say to him that when I sat in the legislative assembly, the members of the Union Nationale spoke only of the extraordinary prosperity which was then prevailing in all parts of the province, including the county of Bonaventure, and I have no doubt they still have the same opinion today. It was their policy to say that everything was going fine. Well, I am rather disappointed with what the hon. member had to

say. I am sure that after a while especially after taking a leaf out of the book of Union Nationale party members in the legislative assembly, he will start praising the policy of his leader.

(Text):

Before continuing with my remarks, Mr. Speaker, I should like to say how very much I regret the circumstances which made it necessary for the Leader of the Opposition (St. Laurent) to announce some weeks ago his decision to retire from the leadership of the Liberal party. I believe it is no exaggeration to say that no one in Canada in our own times has commanded greater respect from those like myself who have been associated with him in the Liberal party, as well as from his political adversaries, and indeed from Canadians all across our country. I cannot help thinking, Mr. Speaker, that in the future, when we come back to look more objectively than we do at the present time upon the period in which he presided over the destinies of Canada, we shall realize even more fully than we do today the greatness of the contribution he has made. I know it was with a heavy heart that he reached the decision as to his retirement; but I hope he will derive much satisfaction not only from the general regret that is being felt in all parts of the country, but also, and perhaps more particularly, from the fact that during the eight years or more he was Prime Minister of our country Canadians came to regard prosperity in Canada as a normal and natural state of affairs.

I think, Mr. Speaker, they had good cause for that state of mind because the last eight years have been without parallel in the history of Canada. Year after year, in almost every field of endeavour, new records have been established that have made Canada the envy of the western world. In support of those views I could cite many figures but I shall merely point out that during that period of eight years Canada's gross national product increased from $15.6 billion in 1948 to an all-time high of nearly $30 billion in 1956. To all intents and purposes the gross national product had nearly doubled during this relatively short period which ended on December 31 last.

What was the situation at the end of June, 1957, when the present government took office? I think the question merits some attention because already hon. members on the government side of the house are talking of the economic conditions which then prevailed in much the same terms as they would have used if the new government had inherited a first-class depression. Perhaps these same members are not unconscious of the fact—perhaps it is an unfortunate one—that in the minds of many Canadians economic depressions are still closely associated with Conservative governments. But what are the facts of the matter, Mr. Speaker? I am going to cite only a few figures to show that despite the sombre description given by Conservative members, the present government inherited a prosperous economy.

First, corporation profits before taxes for the calendar year 1956 were the highest in history, and corporation net earnings for the first six months of 1957 were greater than those for the corresponding period of any previous year except 1956. In fact, corporation net earnings for the first six months of 1957 were $2,249 million compared with $2,254 million in the first six months of 1956; that is to say they were only one-quarter of one per cent less than the record first half of 1956.

Second, industrial production for June, 1957, was only slightly below the record level attained in October, 1956. It was not at the record level of October but I think all objective people would say that it was at a not unsatisfactory level.

Third, Canada's gross national product for the first and second quarters of 1957 substantially exceeded that of the same period of any earlier year, being estimated by the dominion bureau of statistics at $14.4 billion in contrast with $13.5 billion last year.

Fourth, labour income for June, 1957, reached an all-time high for any month of $1,327 million. More people had jobs than ever before and average weekly wages and salaries were likewise at an all-time high level.

Fifth, total retail trade for June, 1957, was greater than for any previous June, just as total retail trade for the first half of 1957 was substantially greater than for the first half of 1956.

Sixth, the total of gross domestic investment in housing, non-residential construction, machinery and equipment for the first half of 1957 constituted an all-time high for the first half of any year.

These few figures show quite clearly that when the present government assumed office toward the end of June this year Canada was enjoying a very high degree of prosperity and I suggest that this was the general conviction of Canadians at that time. But, Mr. Speaker, despite the prosperous state of affairs which existed last June, attention is now being focused upon the level of unemployment. The statistics for September, 1957, published jointly by the dominion bureau of statistics and the Department of Labour are disquieting and because they are disquieting I believe I should say something about this

important matter. In proposing to do so I am not unmindful of the words in the Prime Minister's radio address last week in which he is reported by the Ottawa *Journal* of November 9 to have said:

> It seems clear 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 government is to blame.

The Prime Minister (Mr. Diefenbaker) is reported to have attributed what he described as the levelling off partly to international conditions and partly to the Liberal government for not maintaining Canada's international markets and her monetary policies which he said "froze development". Then he went on to say:

> Criticism is of the essence of our system, but the sowing of the fear of mass unemployment is a dangerous course to follow, for it can lead to a depression complex whether so intended or not.

This certainly was not the attitude of the Conservative opposition in March, 1955, when, on a motion to go into supply, they moved an amendment referring to the grave state of unemployment in Canada. In moving this amendment, the hon. member for Hamilton West (Mrs. Fairclough), now Secretary of State, said at page 1602 of *Hansard*:

> In the midst of wealth we have human misery.

She went on to quote the remarks of an unidentified industrialist which were as follows:

> I'm very much afraid that we are in for more chaotic conditions in the auto industry in 1955 than we lived through in 1954.

A little further on she gave another quotation from the same industrialist:

> Don't ever forget this. We will never again experience the lush seven years we did during 1946-1953. Those conditions are as dead as yesterday's newspaper.

Mr. Speaker, if I might interject this parenthesis, the curious part is that the dreadful conditions of 1954, this chaotic state, was the year in which the industry produced an average of about 30,000 vehicles per month, and in that same year in which the hon. member for Hamilton West was referring to chaotic conditions in the automobile industry they reached the total of 38,000 cars per month and in 1956 even more.

The hon. member for Eglinton (Mr. Fleming), now the Minister of Finance, in those dulcet words he always uses when he speaks, spoke of the situation as a stark, ugly fact in Canada today. Then, he went on to add:

> There are people in Canada today who are going hungry as a result of unemployment.

Mr. Speaker, does anyone believe that those were not the kind of statements that spread fear and gloom? Let me quote the remarks of the former leader of the opposition, Mr. Drew, at page 1649 of *Hansard* for March 2, 1955. After he had referred to the various statistics as to the number of persons who were unemployed—hon. members who were in the house at the time will recall there were two sets of figures and the opposition always used the worst ones—he said:

> Whichever set of figures may be accepted, the fact remains that there is unemployment so extensive that it should no longer be disregarded by the government or by any other hon. member.

Of course, that was the kind of statement that was intended to inspire confidence. Then, the leader of the opposition read the following quotation from the Montreal *Gazette*, which is recorded at page 1650 of *Hansard* for the same date:

> The situation is actually so serious that every effort must be made to inform the Canadian people, who are living in relative prosperity, that a considerable group of their fellow citizens is out of work, and that many more will be facing a similar tragedy if immediate action is not taken to increase employment.

Is that the kind of statement that was calculated to give encouragement to the unemployed? Was this the kind of statement to inspire confidence? Mark you, Mr. Speaker, the opposition associated itself with this quotation. Mr. Drew went on to say:

> That is exactly what we are seeking to impress upon the government; that is exactly what we are seeking to place before the government, hon. members and the people of Canada by presenting this resolution at this time.

The present Prime Minister also participated in the debate. He concluded his contribution to it with this sentence as reported on page 2039 of *Hansard* for March 15, 1955:

> Will he—

Referring to the then prime minister.

> —not state that he realizes that if we continue to deliberately delude ourselves concerning the unemployment situation we shall bring about a fear complex in this country which will have serious results in the future?

What a strange change in thinking seems to have taken place since the hon. gentleman crossed from this side of the house to the other. Then the leader of the opposition, Mr. Drew, because a subamendment had been presented, made these comments which seem to me rather appropriate at this time, bearing in mind the present Prime Minister's remarks. At page 2498 of *Hansard* for March 29, 1955, he said:

> Surely there is no suggestion that the dominion bureau of statistics is deliberately seeking to undermine public confidence.

Then, he went on:

> Far from there being any suggestion that this discussion seeks to undermine confidence, may I say that we would indeed be open to criticism if we failed to bring forward the facts that are produced by agencies of the government set up for

that purpose, and to seek action by the government to deal in some way with a situation which is apparent from a study of those very figures.

The Prime Minister, speaking on this subject, has obviously changed his point of view in the relatively short space of time since that debate was held. At that time he did not seem to feel there was any restriction that ought to be put on a discussion of unemployment. Now, as we know, that subject is taboo. He would like us to put it in our desks and forget it.

It may be thought that the situation which was discussed in March 1955, and which was the situation which prevailed in January of that year because the statistics as to January employment had then just been published, when some 362,000 persons were out of jobs and seeking employment, was relatively much graver than the situation revealed by the September 1957 figures to which I referred a moment ago. An examination of the relevant data shows this not to be the case. The figures for September 21, 1957 show that 194,000 persons were then out of a job and seeking employment compared with only 168,000 in September 1954, so that it is quite clear that if unemployment increases at a rate not greater than that which prevailed between September 1954 and January 1955—when the situation was described by the Conservative opposition as grave—there will be over 450,000 persons out of jobs in January 1958. Let us hope, Mr. Speaker, that the rate which prevailed over those months in 1954-55 will not be repeated in the same space of time in 1957-58.

The figure I have just mentioned, that of some 450,000 persons, seems to be supported by the labour department itself because a spokesman quoted by the Ottawa *Journal* said that unemployment, as measured by the number of persons without jobs and seeking work, should be no more than 475,000 by February. I just ask myself, what would the hon. gentlemen opposite be saying if they were sitting on this side and that condition was, in fact, about to become a reality. Regardless of the figure that is used, whether it is the 450,000 which I suggest would be a justified prediction on the September figures, whether it is the 475,000 mentioned by the labour spokesman or whether it is 750,000 as I heard on television at the end of last week, the fact does remain that the present level of unemployment is most disquieting.

Before I leave the September 1957 figures, I think I should draw to the government's attention the clear implications which they have when examined closely and are compared with the figures for September 1956. First they show that whereas on September 22, 1956 there were 97,000 persons without jobs and seeking work, there were 194,000 or twice as many on September 21, 1957. This is the result of what I might describe as a purely superficial examination of the figures.

A more careful examination of the figures shows that there appears to have been a substantial deterioration in what I might call the volume of employment, the work content, so to speak, disclosed by these statistics. In September last year nearly 90 per cent of the total labour force worked 35 hours or more during the survey week, whereas in the corresponding survey week of this year only 85.5 per cent of those with jobs worked more than 35 hours. In other words, there has been a marked diminution in the percentage of the labour force working 35 hours or more, and a substantial increase, a regrettable increase in the numbers working less than 35 hours. There is also an increase in the number of those with jobs but not at work. Clearly, the amount of employment shown by the September figures is much less than at the corresponding time last year. For that reason, Mr. Speaker, I believe that the situation merits the closest attention of the government.

I know the dangers of concentrating attention principally on unemployment figures, and I realize that by doing so one may create a false impression as to the present state of the Canadian economy. Therefore, in giving the figures which I have given this afternoon I am not suggesting that Canada's forward march has been permanently halted, but I am suggesting that there is a serious problem which the government must meet. During the election campaign the Prime Minister promised to increase benefits under the Unemployment Insurance Act, to eliminate the waiting period and to extend the benefit period to a full 52 weeks.

Though no legislation for this purpose has been introduced or has been announced by the government so far in this session, I am sure hon. members will realize that even if this legislation were introduced it would not in itself diminish the number of persons who are unemployed. It would merely attenuate and soften some of the effects of unemployment upon some of the labour force. It would not be a remedy for unemployment and it would not provide payments to workers who for one reason or another will be unable to draw unemployment insurance.

In his radio address the other night the Prime Minister spoke of "sowing fear of mass unemployment which might lead to a depression complex". This is just the sort of thing that the Conservative opposition was doing in 1955. But, Mr. Speaker, I am not going to take that line. However, I want to point

out to the government that nothing engenders fear and lack of confidence so much as does uncertainty; and it is a fair statement that the government is itself responsible for a great deal of the state of uncertainty which now prevails in Canada.

There is uncertainty as to the trade policies the government intends to follow. During the election campaign the Prime Minister repeatedly promised that he would call a conference of all commonwealth countries to discuss the problem of trade, so that Canada might recover the markets which he said the Liberals had lost. We know—but only in a very general way—of the efforts that have been made in connection with a commonwealth conference on trade, and we know that the government has organized a large mission of Canadians to visit the United Kingdom. But, Mr. Speaker, between the election campaign and the present time, a curious change has taken place.

The trade mission to the United Kingdom is proposing not to find out how the United Kingdom can be persuaded to buy more of our agricultural primary products and more of our manufactured goods but, on the contrary, its purpose is to try to persuade the British to sell to Canada more goods manufactured in the United Kingdom. In fact, we have been given the impression that it would be considered to be almost indecent for the trade mission to talk of the objectives which seemed so important during the election campaign. I say, Mr. Speaker, that this change of purpose is the kind of government action which promotes uncertainty in trade circles in Canada.

Then we also have the Prime Minister's offhand proposal to divert to the United Kingdom 15 per cent of the purchases Canadians make in the United States. There is uncertainty as to whether Canadians are to take this proposal in all seriousness, but this is of small moment compared to the uncertainty which the diversion of some $600 million of trade would have upon Canadian importers, distributors, retailers and consumers.

Then there is the uncertainty arising from the meetings at Mont Tremblant and at Ottawa of the representatives of the United Kingdom government and our own. What were the proposals put forward by the British, and what proposals were made by our own representatives? What are the policies being followed by our government? In response to a request for information the Minister of Finance made a statement which though spread over several pages of *Hansard*, gave no significant information whatever. Mr. Speaker, if I might just make a remark in parenthesis, it reminded me of the letter of a school boy who feels that he must tell you what he did all day hour by hour from the time he woke up to the time he went to bed but who does not really tell you anything about what he was thinking or what he was going to do. I suggest, Mr. Speaker, that even after listening to the statement of the Minister of Finance, both parliament and the nation itself are completely in the dark as to the trade policies the government intends to follow. We have more uncertainty.

Then there is uncertainty as to the policy to be followed by the government with respect to tight money. During the election campaign the Prime Minister repeatedly described for the benefit of Canadians the dire effects of the credit restrictions introduced by the Bank of Canada: they had struck a body-blow here and another body-blow there; small business had been strangled, and so on. Accordingly the electorate believed that the Conservative party was committed to putting an end to credit restrictions, and that belief was reinforced after the election by the statement made by the Minister of Finance as reported by the Ottawa *Journal* of June 26, 1957:

> There very definitely must be early relaxation of the rigours of the tight money policy.

But, Mr. Speaker, despite repeated questions, hon. members have been unable to get from the government an answer as to what has been done to bring about such a relaxation; not what will be done but what has been done. The parliamentary assistant to the Minister of Finance (Mr. Bell), in answer to such a question referred to "the many things that have been done" by the government. But no one on the government side of the house, Mr. Speaker, will provide one item of specific information on the subject. No one will say just what has been done.

The Minister of Finance on one or two occasions has alluded to the $150 million which the government has made available for housing; but surely no one will contend for an instant that the earmarking of that amount for housing has added to the available supply of money. All that has happened is that $150 million have been set aside for housing out of the total supply of money, and there is accordingly that much less available for other purposes. I am not complaining of this situation Mr. Speaker; I am merely drawing attention to the facts of the matter.

The Minister of Finance speaks of tight money as an unfortunate legacy from the Liberal government, and even the Prime Minister in his radio address last week blamed the Liberal government for the monetary policies which we followed. Mr. Speaker, if these statements are true, why

does not the present government—which has in the matter the same authority as had the previous government—implement its promises to the electors to change monetary policies; or, Mr. Speaker, if the statements are not well-founded, why does not the government admit the fact and tell parliament and the people of Canada what policy on credit restrictions they propose as an alternative? Surely in a matter such as this, and having regard to the conflict between the Conservatives' promises before the election and their silence and inactivity since that time, the people of Canada have a right to the kind of statement of government policy which will put an end to the uncertainties which the government has itself created.

Mr. Speaker, the Minister of Finance the other day referred to a slight reduction in the rate of interest now being paid by the Bank of Canada or by the government on treasury bills. He seemed to feel that this was a tremendous step forward. May I say that I have read with the closest interest and attention recently published statements of the Bank of Canada and their balance sheet, and I can see no indication whatever of any action taken by the Bank of Canada which has brought about this small reduction in the rate on treasury bills. I therefore ask myself, and I ask the government to tell us this: What has the government done to carry out its representations to the people of Canada that it would make a change in its policy with regard to tight money?

Then, Mr. Speaker, there is uncertainty as to the government's policies with respect to inflation. Before the election the Prime Minister was telling the country that federal government expenditures constitute the biggest inflationary factor in our economy, and that the Liberal government ought to cut its expenditures. Of course, that was before the election. What is the government's present policy?

We have very little to go on, Mr. Speaker, but though parliament has been in session only about a month, it has already authorized measures that will increase government expenditures by at least $200 million per annum, not counting either cash advances on farm stored grain amounting to another $100 or $150 million or the $150 million to be made available for housing, to which I referred a moment ago. In other words the government is going to have to find $500 million of new cash.

The contrast between the thousands of words of pre-election statements and the silence which the Prime Minister seems to have imposed upon his colleagues is indeed surprising; just as the reduction of expenditures promised before the election contrasts strangely with the measures which the government has recommended to parliament.

We recall of course the promises of the Prime Minister to increase the payments to the provinces and also to reduce federal taxes, but how do all of these measures, whether adopted or contemplated, fit into the framework of a balanced budget? This is an important question, because the people of Canada I think should know at the earliest opportunity the budgetary policy to be followed by the present government. Nor is it unreasonable that the people of Canada should expect a statement from the government on this important subject. The policies advocated by the Prime Minister during the election were a change from those followed by the previous government and the people of Canada are entitled to know to what extent the promised change is to be carried out.

As I have endeavoured to point out, there is uncertainty as to the trade policies to be followed by the government; there is uncertainty as to its monetary policies; there is uncertainty as to its budgetary policies and there is even uncertainty as to whether it will present a budget during the current session.

I suggest that the government would be following a wise course if it sought to dispel these uncertainties by making clear, unequivocal statements of policy; by doing this they could remove many of the uncertainties with which Canadians are now faced and for which the government itself is fully responsible. It is an extraordinary thing, particularly having in mind the loquacity to which we became accustomed before the election, that so far no minister holding a portfolio in the government has participated in the present debate. May we expect some of them to do so before the debate concludes or is there to be uncertainty even on that point?

Mr. B. R. Leboe (Cariboo): Mr. Speaker, I would like first of all to mention that I, too, believe that the speeches of the mover (Mr. Smith, Calgary South) and the seconder (Mr. Arsenault) of the address in reply to the speech from the throne were speeches of quality in both content and delivery, with the exception of some matters which were indefinite.

I would like to congratulate the Speaker and those associated with him on their appointments, and also to say that I rise at this time to speak more from a sense of duty than in the hope of getting results.

I would like to go back to that old question which I think is worthy of mention and that is the question of construction grants for our little old Pacific Great Eastern railway. You will recall the other day I asked a question of the Prime Minister which will be found in the October 28 edition of *Hansard* as to what was his policy concerning these construction grants. You will also recall that he turned the question over to the Minister of National Defence (Mr. Pearkes) and of course I knew I could not get an answer from him because it was an answer which would only come from the Prime Minister (Mr. Diefenbaker) himself. I tried in a supplementary question to push the point and to get a clarification on what I wanted to know, and all I got was a great silence.

Now this silence on the part of the Prime Minister surely cannot be directed to the hon. member for Cariboo but must be directed to those people in British Columbia whom he represents. I personally do not think that the smug position of the Prime Minister is good enough. At least when the Leader of the Opposition (Mr. St. Laurent) was in government, when I rose to ask questions on this matter, although I did not like the answer I received at least I did get an answer as to what was the government's policy on that question.

I think these grants should be forthcoming to the Pacific Great Eastern railway which in the final analysis would mean at least $100 million to the people of British Columbia. This money is badly needed because of the tight money policy which is now being carried out following the policy laid down by the previous government. This policy is one which, as has been pointed out, was loudly denounced by the members now sitting on the government benches before they attained office.

I want you to notice that I do not use the same words in this connection as do the Conservatives. They use the word "power" but I prefer to think of it as office. In that connection I would like to say that this tight money policy has made a great deal of difference to the revenue of provincial governments all across Canada. Naturally the provincial governments, with falling revenues, are faced with a task that is almost insurmountable. I would like to refer to an excerpt from the Edmonton *Journal* of November 9. In part this article had to say:

> Production and sales in the forest industry, the backbone of British Columbia's economy, are down more than 10 per cent and sales tax collections likewise have fallen, the report said.
>
> Reports circulating in the capital say government income from forestry is down more than 30 per cent. Estimates say the industries contribute about $85 million ($38 million from sales tax, the rest from other taxes) yearly to the treasury. Therefore a 30 per cent drop would leave Mr. Bennett—

If I might interpolate here that refers to the premier of British Columbia.

> —about $25 million short.

The paper said the drop would also affect industries dependent on the forestry business.

Now as long as this government is going to be dragging its feet in respect to this matter it looks like an impossible situation for the provincial government and the municipalities of this country. I think the people generally accept that as a true statement and a true appraisal in that connection.

The members of the opposition have been plying the Minister of Finance (Mr. Fleming) with questions in order to try and find out what his financial policy is going to be. We have heard rumours of a split between the governor of the Bank of Canada and the finance minister. This has been denied, but I should like to put it on record that if one does not occur soon, or the governor of the Bank of Canada does not change his mind, the present Minister of Finance will not much longer be sitting where he now does. The people of this country are watching this situation carefully, and it is a matter which touches them where it hurts most, namely the pocket book.

Much has been said about unemployment. I will only say this. It is foolishness for us to bury our heads in the sand and say we must not scare the people because that would make matters worse, when we know very well we have a parliament in Canada whose task it is to deal with the country's problems as they exist. These statements have, to a great degree been made outside the house rather than inside it, but it seems to me the problem of unemployment in the province of British Columbia is a real problem.

My attention was drawn the other day to a newspaper clipping in which the leader of the opposition in the British Columbia legislature was reported as asking questions of the responsible ministers of the British Columbia government with regard to the unemployment situation there. I think his words could more appropriately have been directed to this government here, because the tight money policy is the policy which has affected the economy of British Columbia and brought about the present situation.

The lumber industry and the plywood industry in the province of British Columbia has suffered a great deal, particularly in the northern interior area. The $150 million which was given over for housing to the Central Mortgage and Housing Corporation is only a drop in the bucket as far as we are

concerned. It would mean, at the most, the movement of 100 million feet of lumber in the whole of Canada, and that is not very much so far as the forest industry is concerned. As I say, it does not help the forest industry very much, nor does it give a great deal of assistance to the people who need houses.

Now I wish to make a reference to the consumer index which was the subject of discussion in the house a short time ago when attempts were made to show that there was a levelling off in the cost of living. I should like to point out that the levelling off has been at the cost of the consumer because in many industries a true levelling off does not take place. The people who have suffered in this country are those engaged in the primary producing industries such as lumber, agriculture and mining. These people have to sell on a supply and demand market, whereas the secondary industries of this country do not sell their products on a supply and demand market to any great extent. The cost prices of the articles produced by secondary industries are based on the cost of production and, therefore, as the cost of production rises, the cost of the end product rises accordingly. Therefore when we talk about a levelling off of the consumer index we find that if we look at the situation carefully in reality some people are paying the shot. I do not think they appreciate their position in this regard.

One of the silliest statements I have heard for a long time was made by the present Minister of Finance this session and also by the previous minister of finance, and that is with regard to saving money while at the same time the Minister of Trade and Commerce (Mr. Churchill) puts out a statement that we must seek new markets. We know, Mr. Speaker, that when we export goods we are going to import an equal amount of goods or something very close to it, goods which have to be purchased by people here. Therefore, trade being a two-way matter, we still have the goods in this country on the shelves. Now the Minister of Finance is saying: let us save more, and the Minister of Trade and Commerce is saying: we must seek new markets. I think they had better get together and discover which one is going where, because you cannot save more and buy more at the same time, at least I have never been able to do it.

Mr. Speaker, we experienced a great disaster in the Peace river area not so long ago, about the third week in October, when the bridge over the mighty Peace river between Dawson Creek and Fort St. John gave way. This bridge is on the Alaska highway, mile zero being at Dawson Creek and it goes north for 1600 miles. The amount of traffic which passes over this particular highway is so heavy that only one who has actually witnessed it would believe that this northern route would ever have as much vehicular traffic as it has.

Highway 97 starts way down in the southwestern states travelling up through California, up through Oregon and Washington into British Columbia, through to Kamloops and on up to Alaska. Many thousands of tourists use this highway almost all the year round, and, of course, the collapse of this bridge has created a most unfortunate bottleneck.

I wish to say, however, that I am not disappointed in any manner with the handling of this situation by the Minister of National Defence, (Mr. Pearkes) under whose jurisdiction this bridge comes. But I wish to express the hope that the minister will not listen too closely to his advisers. His advisers are military men and they look after this bridge from a military point of view purely and simply. I want to say to the minister that I believe he has a moral responsibility in connection with this bridge. I believe this government has a moral responsibility in connection with it. If the department feels it has not, then it means we should be looking forward at an early date to a highway policy which will embrace a national highway system in which this area would be included. I believe a bridge across the river at Taylor Flats is absolutely essential. Either a new bridge should be built, or the present bridge rehabilitated as soon as possible.

I am sure that if there were a member in this house from the Yukon,—and I regret very much that there is not—he would be addressing the chamber very much along the lines I have been following in the last few moments and he would emphasize the importance of this great highway to the people of the Yukon.

Other people are interested in the project. I have an excerpt here from the Prince George *Citizen,* datelined Seattle, Associated Press. It reads as follows:

> B. Frank Hintslemon, former Alaska governor, Wednesday urged the Alaska international rail and highway commission to give priority to improvement of the Alaska highway, then give consideration to an Alaska-United States highway link through British Columbia east of the coast range. The 13 man commission ended a two day meeting here Wednesday night.

It is possible, perhaps, that this highway is one of the most important highways in Canada because it does have a defence value. I have, therefore, taken a few minutes today to bring it to the attention of the house in the hope that we will not find ourselves too

long without a bridge across the river at the point close to Taylor Flats. I was pleased that the previous government saw fit, even if it was just before the election, to introduce a paving program to pave the first 50 miles of the Alaska highway from Fort St. John to Dawson Creek and I do hope that if the present government is here long enough—

An hon. Member: What a question.

Mr. Leboe: —it will follow the example set by the previous government and extend the paving of that highway north. As I pointed out, this is very important to the people in that area and all the people to the south right down to the southern part of the United States.

I have a few words to say about the C.B.C. and the National Film Board and when I say "a few words" I mean just that. Under the present policy for television broadcasting we find that there is an unequal division between the parties in this house in terms of the time allotted to them for television broadcasting. I maintain that this completely overlooks the wishes of the people who are looking at their TV sets and recognizes the situation only from a political point of view. If political television broadcasts are to be continued I think there should be an equal division among the four major parties in this house and an equal amount of time should be allotted to each to present their views so the Canadian people will get what they are looking for and will be assisted in finding out what the various parties stand for, what their platforms and programs are. I do not think anybody except perhaps those who are in political office will argue the point. If a canvass were made of the listening audience across the country I am sure it would be found the people generally would look most favourably upon a policy under which 25 per cent of the listening time were allotted to each of the four major parties.

Now, just a word about the National Film Board. I seem to be ranging far and wide in my remarks but these are just a few thoughts I have in connection with these various subjects. It has been brought to my attention that the National Film Board will not release the film "The Sceptre and the Mace" through its channels for six months. I think this policy should be scrapped at once. There are many people who for conscience sake never darken a theatre door. This film will be released through commercial theatre circuits for a period of six months before it is released through the circuits of the National Film Board. As I undertsand it this is being done to defray expenses. It is the taxpayer who pays in any case and therefore why should the people who want to see this film be deprived of seeing it through National Film Board channels for a period of six months or more? Many centres throughout the country lack theatres but many have social groups to whom the National Film Board material could be made available. This film should be shown across Canada while the visit of Her Majesty the Queen is fresh in the minds of the people. I do not see for one moment why we should have to wait for six months to view this film on the pretext that we are trying to save some money through releasing it commercially in the first instance. If we think it is possible to save some money for the National Film Board we should perhaps investigate the possibility of uniting the efforts of the National Film Board and the Canadian Broadcasting Corporation. Possibly we could save enough money by this means that the authorities would not have to worry about the few dollars they will collect through the rental of "The Sceptre and the Mace" and other films.

Another subject I wish to raise is the need of airports. As we travel across the country we see a great need for establishing new airports and extending the facilities of existing ones because registered aircraft in Canada continue to increase rapidly and the miles travelled by people by the medium of airplanes is increasing every day. Also, new applications are being made for charters. I trust that the government will look into the situation a little closer in respect to the seaplane base in Prince George. A lot of the chartered aircraft in the northern areas of British Columbia, as in other parts of the country, take off and land on water and Prince George is one of the chief centres in western Canada in that respect. A good seaplane base at this point is extremely essential.

There was some mention in this house the other day of the Wenner-Gren project. This happens to be considered for construction in the Cariboo riding. It was described by some hon. members as a steal, a give-away program and many other things but I can refer those hon. members who are concerned about it to three documents, the memorandum of agreement of 1956, the one dated in October 1957 and other related material that is available for distribution in British Columbia. I would also refer them to the water act of British Columbia which is the key to all these agreements. Hon. members of the C.C.F. party have been inclined to throw cold water on the proposed construction to be brought into being in the Cariboo riding at what is known as the Rocky Mountain trench. I have before me a clipping from

the Ottawa *Journal* dated April 2, 1957 and I would like to read a part of it for the benefit of those hon. members. The article has reference to a pulp agreement in Saskatchewan and says in part:

> Under the agreement, the American group is given an option on 12,000 square miles of crown-owned spruce, fir, jackpine and poplar forests. Construction of the mill, with a minimum production of 300 tons daily, would start before September 1.

This announcement was made by A. G. Kuziak, natural resources minister of the Saskatchewan government. It seems to me that the members of the Saskatchewan government know on what side their bread is buttered as do some of the rest of us, and jealously will get these people nowhere. The people I represent in British Columbia are very happy about this proposition and they are the ones who live in that country. They are developing that country and they are the pioneers whose children today are engaged in the fields of engineering, surveying and so on which are the keys to prosperity in our province. We are looking forward to great things happening in the Cariboo riding.

Mr. John Pratt (Jacques Cartier-Lasalle): Mr. Speaker, may I add my congratulations to the many already extended to yourself and to the Deputy Speaker, and also to the mover and seconder of the motion for an address in reply to the speech from the throne.

May I also say how sorry I am that the Leader of the Opposition (Mr. St. Laurent) has chosen to relinquish his high office. I have always admired his personal qualities and qualifications and I sincerely hope that he will continue to serve his country for many years to come in some other important capacity.

The tradition has been very well impressed on me by now, Mr. Speaker, that in addressing this house for the first time one does not plunge into the controversial but rather dwells on the delights and innocent requirements of one's home constituency. I am sure that I do not need to dwell upon the delights of the county of Jacques Cartier-Lasalle with its great industry, its beautiful scenery and its highly intelligent population; but I would like to say a few words about the innocent requirements of this important riding which already consists of over 100,000 people and which will probably double its population within the next decade.

I certainly do not need the pressure of tradition to encourage me to concentrate on the problems of my riding, as indeed my entire campaign platform in the recent election was based solely on our own local problems and nothing else. However, local though those problems may be, they are actually of national interest, as similar problems exist in many other constituencies right across the country.

One of the most urgent of our problems is the continued and growing pollution of the Ottawa and St. Lawrence rivers, in as much as it could adversely affect the health of many thousands of citizens in every municipality along the banks of these streams. It is a disgrace to allow this disgusting, barbaric practice of dumping raw sewage and industrial wastes into our beautiful lakes and waterways. It is a practice which must be stopped but the expense involved is great. It is not fair that the municipalities should be expected to pay the entire cost out of their limited revenues. It is a responsibility of all three levels of government. The federal government is involved not only because many of these streams such as the Ottawa and St. Lawrence rivers are navigable but because many such streams run across interprovincial and even international borders.

My constituency is also seriously concerned about the question of railway level crossings. Again, this is an archaic situation which has been allowed to exist and grow worse right across the land but it has reached an appalling state in the western section of the island of Montreal which constitutes the riding of Jacques Cartier-Lasalle. We are very happy and proud to be the absolute hub of railroading in Canada, but in consequence we have four of the busiest lines where the fastest trains in America continue to take their toll of human life and suffering and where parents dread the thought of their youngsters crossing and recrossing the tracks on their way to and from school, and where the nights are made absolutely hideous by the never-ending scream of train whistles in the hands of nervous drivers trying to prevent the inevitable death and destruction. This problem was solved in Europe in the middle of the 19th century with picks and shovels. Surely, we should be able to cope with it in 20th century Canada with all the wonders of modern power shovels and bulldozers.

Equally pressing is the question of increasing highway traffic, with the lack of adequate bridges over federal canals and navigable waters causing bottlenecks which are not only a nuisance to the travelling public but which are costing millions of dollars in lost time to commercial and industrial transportation. The traffic complex at the Lachine canal in Ville St. Pierre is a nightmare of bad planning and lack of planning. At the

other end of the riding there is a single bridge over the canal which creates a bottleneck at Ste. Anne de Bellevue, resulting in stalled traffic for two or three miles on either side of the block. This happens every weekend with ordinary traffic. What would happen with a civil defence evacuation, under emergency conditions, of a quarter of a million people?

When we speak of civil defence we realize in Jacques Cartier-Lasalle that it is difficult to formulate specific policies, or consolidate specific plans, owing to the complexity and increasing rapidity of scientific progress, but this is all the more reason why the federal government, with its greater access to last-minute information and its greater access to the necessary funds, must itself take the leadership and not lean so heavily on provincial or municipal initiative.

There were only two other planks in my election platform, namely to obtain better postal service in the developed areas of my constituency and to ask that the cities and towns be given a fair share of the national tax dollar. I would like to congratulate the Postmaster General (Mr. Hamilton) and thank him for all he has done and is doing to improve the postal services in Jacques Cartier-Lasalle. I would also like to congratulate and thank the Prime Minister (Mr. Diefenbaker) for all he has done and is doing to further the cause of mutual understanding and mutual co-operation between the federal, provincial and municipal levels of government. I congratulate the Prime Minister and the Postmaster General on their initiative in getting things started and I personally thank them for helping me to achieve already at least part of my platform promises.

A recent magazine article remarked that it was highly unusual for a comedian to become a member of parliament. After listening to some of the hon. members in this house I find that it is not at all unusual for a member of parliament to become a comedian. I would like to say just a word about my first reactions as a wide-eyed newcomer to this historic house. At first, to be quite frank, I was rather disappointed at the hard, cynical way in which some of the older members put their party interests above the common good. I was, therefore, very pleased to hear in the speeches of some of the newcomers the kind of idealism that I had always associated with a true understanding of the real, traditional significance of parliament. I could not help but wonder whether these young men in time would also become hard, cynical and myopic in their narrow focus on the interest of party above all else. Since then I am happy to say I have heard several battle-scarred veterans of many years in this house reveal an idealism that is far too simple and straightforward to be merely histrionic and I am sure there is no better example for a young man to find than an old one who has kept faith with his principles.

However, there are still too many who seem to have come here to get rather than to give. I have heard far too many talk of their heritage, their rights and their privileges and not nearly enough of their duties, their responsibilities and their potentialities. Let us think less of our separate past and more of our tremendous collective future. I would like to feel that, at least from now on, this house is regarded by all as somewhat more of a parliament and somewhat less of a snakepit.

There are two reasons, Mr. Speaker, why I think I should cut this speech short and not take up any more of the valuable time of this house. First, because I have an uneasy feeling that, like so many hon. members, I may tend to use rather too many words for what little I have to say and, second, because I realize that this year we have an unusually large number of Conservative newcomers, some of whom are still awaiting their opportunity to speak. I trust, Mr. Speaker, that neither of these two mild understatements will be regarded as controversial. It is also six o'clock, Mr. Speaker.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. W. J. Henderson (Kingston): Mr. Speaker, I rise to take part in this debate on the throne speech with a sincere feeling of appreciation to the electors of Kingston riding for returning me once again to parliament as their representative. I should first like to direct my remarks to you, Mr. Speaker, and to congratulate you as the first Commoner. Over the years, you have shown integrity and industry in your profession, and may your political career be as illustrious.

I rise today with a great deal of humility to direct my remarks for the most part to the affairs and conditions of the Department of National Defence. I do so with humility possibly because my knowledge of defence matters may not be as great as that of some members in this house, and because the Department of National Defence is headed by a renowned and respected soldier, carrying with him the highest award for gallantry that a soldier may earn. I am sure that in the last parliament when the Minister of National Defence (Mr. Pearkes) had my position on this side of the house, and the then

minister of labour, the Hon. Milton Gregg, V.C., occupied a front bench on the government side of the house, we were inspired to have two such gallant men in our midst.

I should like to say a word, not to be interpreted as faint praise for the Minister of National Defence, but upon reviewing *Hansard* since the beginning of the session I find that he is the only active minister of the crown who has accepted his responsibility and has not endeavoured to make political speeches and avoid his responsibility by claiming the inadequacies of his predecessors. I have previously stated that my knowledge of defence is limited. This same condition may apply to some of my colleagues on this side of the house, and on the other side of the house, but we as members know that if this situation kept us quiet there would be a long silence in this forum. I am advising the minister that we serve notice on him now that we have a willingness to learn, so to speak to be taught, not only for our own purposes but so that the people of Canada will learn that their country has an appropriate defence force and that the security and respect of Canada has not been tinkered with to fulfil election promises of a desperate political group trying to remain in power.

I have for eight years been the representative of the Kingston constituency, a constituency whose military tradition is second to none in this country. May I interject that I am happy to have retained the confidence of my electors as expressed in the last election, and so be able to be here taking part in the discussion, particularly on military matters. During the eight years I have represented Kingston I have been compelled to deal a great deal with the Department of National Defence and to learn something about its operations. This has been true because the defence establishments in and around the city of Kingston are amongst the most important in Canada. I feel, therefore, for these reasons I probably have some modest competence to discuss the affairs of the Department of National Defence.

It has been evident that the Minister of Finance (Mr. Fleming) either does not have a financial policy for Canada or refuses to advise Canadians of his policy and having expressed my admiration for the Minister of National Defence, I would not want to think he had fallen into the same category. We would want to feel, as Canadians, that all was well with defence and the security of Canada. We have heard rumours that anywhere from $200 million to $500 million could be cut from the defence budget to provide the answer to election promises, including a cut in income taxes. Let me say this at the beginning, if it can be done without impairing the security and defence of Canada we would greet this action with approval. Our ministers in the past, the Hon. Brooke Claxton and the Hon. Ralph Campney, would have done the same thing. There was one assurance that we had when they were heading the Department of National Defence and that is they had a policy, a recognized and consistent policy. It is evident that Canadians are becoming disturbed about their security and defence today.

If I might for a moment, I should like to refer to a newspaper article that appeared in the Toronto *Star* of October 17, 1957 which I think sums up the situation very well. It says:

> Is the government hacking away here and there just for economy? Just what is the program? If changes are required, what are the reasons? Mr. Claxton and Mr. Campney, the former defence ministers, had a defence policy, a consistent policy. It was a program which carefully took into account the needs of Canada for the defence of our homeland and for meeting our commitments to the United Nations and the North Atlantic Treaty alliance.
>
> The new defence minister may have information which proves that the defence program should be changed to meet changing conditions. If that is so, the people ought to be told in clear, forthright terms. Let there be no tinkering with Canada's defences.

In recent months we have heard from members on the government side great orations about Canada first policy, anti-Americanism. We have heard about the regency of Canada in the north, but it can be noticed now that United States newspapers are writing about the islands north of Canada. North of Canada should be known as the north pole, and the islands should be known as Canadian islands. The regency of Canada in the north depends upon her small settlements and the ships which make their appearances in the north. Our attention has been drawn to the presence of H.M.C.S. *Labrador* in the north in picture parade of the *Family Herald* of October 24, 1957. This newspaper shows a picture of the crew of H.M.C.S. *Labrador* raising a naval ensign over an abandoned trading post. According to recent reports the H.M.C.S. *Labrador* has been transferred from the Department of National Defence to the Department of Transport for duty as an icebreaker on the St. Lawrence, which job I hasten to say probably it can do well. However, what about the *Labrador* as Canada's medium for exhibiting sovereignty over the Canadian Arctic? What about the scientific and survey work which the *Labrador* could do in the north?

Is it the policy of the government that Canada does not want to know as much about the north as Russia? Are we to disregard

the words of this ship's last master, a Royal Canadian Navy captain, who no later than last week said:

> There is no other ship internationally known as well as the *Labrador* for its pioneer work in the Canadian Arctic, and no ship has done so much tangible good there.

Do we take it the Minister of Transport (Mr. Hees) is anxious to have this ship under his command and simply says, "this will be an economy move all around"? Is this the policy of the Minister of National Defence that he adheres to or does he simply take the explanation of the Minister of Transport and comply with his wishes? What training is the Royal Canadian Navy going to carry on in the Arctic? What fleet are we to have in reserve or in being? I would suggest to the Minister of Transport and the Minister of National Defence that they read the book entitled "The True North", if they have not done so, in order to familiarize themselves with the initiative and foresight of Captain Bernier who did so much to establish the sovereignty of Canada in the Arctic. Just after the turn of the century Captain Bernier came to parliament hill and gained the support of 60 per cent of the members of the House of Commons for his work. It has been said of him that he, more than any other man, kept Canada from tossing away its Arctic inheritance.

The minister has now seen fit to make a change in another branch of the armed forces, the militia. In reply to a question I asked him on October 16, 1957, page 37 of *Hansard*, he inferred that the militia would have training emphasizing civil defence and the militia's role otherwise would have been glamorous and phony. In reply to another question, he hesitated to set a date for the transfer of the role of the militia to that of civil defence.

Summer camps are to be abolished and the number of days training paid for by the government are to be reduced from 60 to 40. All this may mean the end of the militia but if this is the government's conclusion, let us hear it definitely. I suggest to the minister that he has set a date for the end of the militia, namely January 31, 1958. If that is not correct, let him tell us so. This may be the date that the militia resorts to the role described by the present Minister of National Health and Welfare (Mr. Monteith). I quote from the Montreal *Gazette* of September 20, 1957, Mr. Blakely's column, in which he says this:

> Civil defence is at times a discouraging and thankless task.

If the Minister of National Defence wishes to take away the uniforms and rifles and issue the militia in January with dungarees, brooms, pails, shovels and fire-hoses, let him make his position clear.

The militia has played an extremely important role in Canada's defence in the last two wars and in peace time. The permanent force has provided a nucleus for the active voluntary forces, and its tradition can best be expressed by extracts from speeches made by the minister's own colleagues in the cabinet. I refer to a report in the Halifax *Chronicle-Herald* of September 1, 1954, which is "PC Member Gives Views on Issue" and reads in part as follows:

> George C. Nowlan, Q.C., M.P., Progressive Conservative member for Digby-Annapolis-Kings, speaking in connection with the proposed disbanding of the North Nova Scotia Highlanders, gave his opinion of this proposal in an interview here in which he said: . . .
>
> "For years we, of the opposition, have been deploring the treatment accorded the reserve army by our government, and have been urging that definite action be taken to further the interest in, and increase the efficiency of, this essential part of our national defence effort. How can this be done by disregarding the reputation, traditions and the dress which are the greatest attraction and asset of any military organization".

The present Secretary of State (Mrs. Fairclough) speaking on national defence supply on July 20, 1956, as reported at page 6269 of *Hansard* of that year, said this:

> I should like to make just one more plea to the minister on this basis. The city of Hamilton has always been very proud of its military men in all branches of the services; its militia has been a source of great pride to Hamiltonians generally, and it has a good auxiliary naval force. It seems too bad that one arm of the services should be left out of active participation. I know it is a matter of great regret to Hamiltonians generally and those who were members of the 424 squadron in particular.

She goes on further and says this:

> In all seriousness I ask the minister to give great consideration to this matter, because it is not a light thing to discourage so many persons who are actively engaged in military exercises of this sort, particularly when their activities have been a source of pride and a matter of interest for a quarter of a million people in that district.

But I think the greatest supporter of the militia is the present Minister of Transport. Speaking on national defence supply on June 30, 1955, as reported at page 5539 of *Hansard* of that year, he said this:

> I am also disturbed about what appears to be happening to another great Toronto militia regiment, the Queen's Own. I understand that their recruiting base has been shifted to Calgary, which to me sounds absolutely fantastic. The Queen's Own is a Toronto regiment and has been for many many years. It is one of the really old battalions of this country. Its roots are in Toronto, its spirit is in Toronto, its alumni are in Toronto, and if you want to raise men for the Queen's Own you had better leave the recruiting base in or near Toronto so the traditions of that regiment can remain intact.

I think the treatment of the militia by the government at the present time and the creation of the first, second, third and fourth Guards battalions is stupid. Why not leave these fine regiments intact with their traditions and names that mean so much to them? Why not leave them with the most important things they possess, their uniforms, their names, their traditions? Why do what bureaucrats are always trying to do, streamline or simplify, and in so doing complicate and lose what originally was possessed?

As a former member of the militia and knowing how much these things mean, I appeal to the minister to stop what I consider to be this stupid process of destroying the really important things that keep a militia regiment going, and the only things that do. Leave them intact. Let our regiments remain the fine regiments they are, with the fine traditions they have had for many years past.

I ask you, Mr. Speaker, where are those members of the present cabinet and what support are they now giving to the militia they supported a short time ago?

Besides the morale and traditions of the militia, let us consider that we may still have many conventional skirmishes before the 30-minute war which the minister may have in mind. Let us remind him that although gas was used in world war I, it was not used in world war II, although both sides could have used it. The same may be true of the hydrogen bomb and other nuclear weapons. We may have a war without them. Would it not be better for an aggressor to take over our lands without destroying them? On the other hand, if for any reason we are the aggressor, I am sure that the minister has heard of conventional troops under the town major. Our active forces may have more technical duties to perform in the case of a conflict. I say it is the obligation of the Minister of National Defence to produce irrefutable information that the militia, the citizen army, will not be needed again before he abandons it and places the personnel in the role of air raid wardens and so on. The members of the militia are entitled to know their future.

Why might the minister be hesitant to give the details of the new roll of the militia? I should like to refer to an article in a paper published in a militia city, namely the Kingston *Whig-Standard* of October 12, 1957. It is entitled "The End of the Militia?" and it reads in part as follows:

But if the government has come to this conclusion, why does it not say so? Far better to abolish the militia straight away than to keep willing people on a string and slowly cut off their supplies, thus forcing them out in favour of civil defence. Maybe the abolition will come after the next election. The reason why it does not come before is clear. Disbanded militia men, keen on their regiments, might be disgruntled enough to vote against the government who cut them off without a penny.

Or is the minister by maintaining the membership of the militia gradually accepting the advice of the new minister, the Secretary of State for External Affairs, Mr. Smith, and using the militia as the nucleus for implementing the brain child of the new Secretary of State for External Affairs? I quote from the Toronto *Globe and Mail* of November 29, 1947.

A year of national service—not essentially military—for high school graduates was advocated yesterday by President Sidney E. Smith of the University of Toronto in an address to Toronto Rotarians—"I have something in mind not entirely military and would go so far as to suggest the organization might have a civilian chief".

Canada's militiamen deserve to be given all the information of their future role.

Let me for just a moment refer to the permanent forces of Canada. I shall have more to say about it at a later date, but it is indicative that their amenities and their privileges will be lessened. For example, the curtailing of the current affairs bureau, the decided closing off of the defence construction building program, and also the unnecessary moving of the personnel and their families from one area to another.

The minister must realize that these men and women and their families have devoted their lives to a very honourable and necessary profession in which they have been highly trained. The minister should consider his department's policy very carefully before he disturbs the personnel and their families and takes away from them their accommodation and the amenities to which they are entitled. We trust the minister will not hide too long behind the delays attributed to designers and architects. I say we have the finest forces in the world and let us not prejudice that standard by a hit and run policy initiated by any political strategy.

The minister has been credited with making several announcements of cutbacks in the Department of National Defence expenditures. If there is waste and extravagance and duplications, as has been claimed by the Minister of Finance (Mr. Fleming), let him give us the chapter and verse. We have heard spot announcements as I have just mentioned, such as "Current Affairs bureau next for Pearkes' axe", "R.C.A.F. braces for cuts in budget", and so on. I suggest that the minister, in dealing with the R.C.A.F. is carrying out a policy reflected by his predecessor in office 25 years ago when his party was in power. As a matter of fact a very famous training centre of the R.C.A.F. by the name of Trenton also came into the news then. I quote from *Hansard* Volume 1 for 1932 at page 597:

Mr. Sutherland: Trenton will be very seriously cut down.

Mr. Ralston: But my hon. friend is adopting Trenton instead of Borden.

Mr. Sutherland: If the hon. gentleman instead of developing Trenton had stopped the development at that time a great deal of the trouble we are having at present would have been obviated.

Now we find 25 years later that we hear of the transfer of air training command headquarters from Trenton to Winnipeg. I believe the minister was recently trying to retrace his steps however, possibly for a purpose, and I was interested the other day—to be exact November 7—as reported at page 850 of *Hansard*—to find this question asked of the Minister of National Defence by his colleague the hon. member for Calgary South.

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. station at—

And then it goes on to describe the stations. I ask the minister what is his policy, or is he just trying to get past another election date?

An hon. Member: Who is talking politics now?

Mr. Henderson: We have very little information about what the minister has really done to the department. I say to the hon. member who interrupts me that he had better get up and defend the militia. The minister has announced a nibble here, a bite here and a chunk out of here, but what is his policy? Has he adhered to the warning given to him by General Simonds, supported by the present Minister of Agriculture (Mr. Harkness). I am sure the present Minister of National Defence can now tell us if his colleague the Minister of Agriculture last year was making an irresponsible statement when speaking of the subject of national defence on July 19, 1956. He is quoted in *Hansard* of that date at page 6173, as follows:

When it comes to statements of opinion concerning the subjects General Simonds dealt with in his article, I am more prepared to accept his opinion than the minister's.

I may say this is referring to the article in *Maclean's* of June 23 written by General Simonds:

Having been the chief of staff and having spent his lifetime in the Canadian army, General Simonds I think is perhaps better qualified than is the minister to express an opinion as to the efficiency of Canadian defence headquarters. I think he is better qualified than is the minister to state an opinion as to whether defence headquarters could operate efficiently and effectively in the event of war.

He goes on to say this:

In any event it has been my contention for several years past that defence headquarters is topheavy and as a result wasteful and inefficient. I now have two very powerful witnesses to reinforce that claim. General Simonds has said in this article that the headquarters is topheavy. The minister, of course, said that was only his opinion. I think that that opinion is a very weighty one and it is reinforced by General Macklin and every other retired officer with any experience with whom I have ever spoken in regard to the matter. General Simonds said that in a real crisis national defence headquarters would come to a grinding, shuddering halt. I claim that is probably correct, in spite of the minister's opinion to the contrary.

Would the hon. minister still be influenced by General Simonds' statement when he said last week that the CF-105 was a "dead duck". He made this statement on November 11, as reported in the Ottawa *Citizen* of November 12, 1957, as follows:

He said Defence Minister Pearkes' decision to use the militia in a civil defence role is "an attempt to convince the people that something is being done when nothing is being done at all."

We as Canadians may well be disturbed when we read the headlines of the Vancouver *Sun* of November 6 and the press clippings from the Vancouver *Sun* of that day. The headline says: "Our Defence Outmoded by Missiles" and the clipping says "we are defenceless, Simonds declares", "Ex-chief of staff blasts Ottawa 'Fumbling Stupidity'." The events which have happened in the last few months with respect to the development of guided missiles and nuclear weapons by nations of the world will force the government of Canada to face the making of very important decisions. We must recognize the fact that the threat of guided missiles must be met. This cannot be accomplished by vote-catching economy cuts that could hinder the defence program of Canada.

Although the Solicitor General (Mr. Balcer) and the president of the Progressive Conservative Association have announced that the election campaign is now on—this was confirmed this afternoon by the parliamentary assistant to the Minister of Public Works (Mr. Hodgson), and was also so capably dealt with by the hon. member for Winnipeg North Centre (Mr. Knowles)—I am sure that Canadians and fellow members of NATO would be more pleased if the government could divorce itself from its election campaign long enough to deal with the immediate problems of the defence of Canada and formulate a defence policy which would discourage our enemies and encourage our allies. I submit, Mr. Speaker, that in the present circumstances the Prime Minister and the

Minister of National Defence, with apparently no policy, who has been forced to nibble, tinker and meddle with the defence of Canada, should take the appropriate steps to set up a committee on defence to examine that matter and hear witnesses and assure the people of Canada that they have provided security and to prove that this government has a policy on defence.

Mr. Louis Lewry (Moose Jaw-Lake Centre): Mr. Speaker, I would like to join with other members of this house who have spoken in this throne speech debate by extending congratulations to yourself and to the mover (Mr. Smith, Calgary South) and the seconder (Mr. Arsenault). A good job very well done.

Coming from Moose Jaw-Lake Centre, in the centre of Canada, I hope to give my constituents the kind of service they should expect from their member in Ottawa; also I intend to continue to pursue and uphold the policies of the C.C.F. as long as my stay in this house continues.

The Lake Centre part of my riding was at one time represented by the present Prime Minister (Mr. Diefenbaker). Speaking non-politically, of course, I might add, his representation was considered excellent; he set an example that I hope to take as my own, may I repeat—non-politically.

I may say however that I intend to do my best to prove that the right hon. Prime Minister is a poor prophet. According to a press story a week after the June 10 election, he wired the Progressive Conservative candidate his congratulations and the news story indicated that the Prime Minister believed that the Progressive Conservative candidate might win Moose Jaw-Lake Centre in another election. The Tories had better not count that egg in their basket.

When I checked into my office in the House of Commons, I found there was no electrical wall plug. The electrician promised to have one installed but while waiting I borrowed a 10-cent plug to enable the use of the desk lamp socket. I was told by the electrician that he had to have the plug returned as he said it was the only one they had. I am happy to be able to report to my constituents that unlike the Liberals' Petawawa army camp and its horses, the Conservative government has only one plug on its payroll so far.

The speech from the throne indicated that some of the election promises made during the campaign by the Conservatives were to be carried into legislation. We of the C.C.F. group are pleased to see this legislation for which our members have been clamouring for years and for which we have indicated our approval and support.

Coming from a constituency half urban and half rural I can tell hon. members that farmers are in a depression and that this is being carried over to business places in western Canada. If the farmers of Canada are not prosperous, businessmen are likewise not doing business.

The latest dominion bureau of statistics index indicating the number of commodities and services used by prairie farmers shows some interesting facts. The farmers' cost of living and production now stands at 240.5, with the years 1935-39 represented by 100. In other words, it now costs prairie farmers $2.40 to buy what a dollar would buy in 1935-39. This means, therefore, that the $1.40 initial wheat payment is worth only 48.2 cents in the 1935-39 value of money on a basis of No. 1 northern at Fort William; at the average country elevator point it is worth approximately 50.5 cents a bushel. How can the western farmer be expected to buy a $7,000 combine on 50 cent wheat?

In all probability the Conservative government may be called upon to set up a royal commission on markets for trade, or may even suggest doing so itself. I am not laying claim to ownership of some recent verse, but I think the house may be interested in the following which sets out what may be expected from the present Prime Minister (Mr. Diefenbaker) on the subject of trade. It is entitled "The Trader":

Said Honest John, on power bent,
"What can I say, confound it?
With joyous cheer the air was rent:
"Eureka I have found it!"

"Our trade with shrewd old Uncle Sam
Is getting mighty skittish
I'll wave the flag and beat the drum
And holler: Let's buy British.

So up and down our fair domain
He stumped the June election
And kept repeating his refrain:
"The commonwealth connection."

So loud his voice, so bright his eye
So hard the anvil smitten
That even skeptics were convinced—
And so was Mac of Britain.

And when the smoke had cleared away
And Liberals lay buried
To Canada without delay
The British Traders hurried.

"You wish to trade" said they, "my lad
On even-steven basis?"
"A Free-Trade hand we'll deal, b'gad
And give you all the aces."

In utter horror and despair
Our Honest John recoiled
They'd stripped him clean; his bluff was bare
His gimmick had been spoiled.

"Up drawbridge, lad" cried he to Don
"And bar the gates," to Gordon
"Call out my trusted Tory troops
And form a solid cordon."

And in his tower, cold and bare
In turn, he cried and shouted
He beat his breast and tore his hair
He raged and sulked and pouted.

"O woe is me! O lack a day!
How could they so deceive me?
They know I mean not what I say
Why must they now believe me?"

In meditation thus he sate
While hours passed uncounted
And as he pondered on his fate
His tribulations mounted.

Then, all at once, a blinding light!
His doubts and fears were shattered.
"'Arise, my lads, on with the fight!
"Our foes will soon lie scattered.

"I have a plan—a master plan!
To solve this sad condition.
"We're off the hook, confound it man,
We'll set up a commission!"

Mr. Speaker, I should like to deal now with some of the pre-election promises made by the present government. I do not want to indicate at all that, as the Prime Minister stated shortly after this house opened, the Liberals expect the Conservatives to do everything in five months that the Liberals failed to do in 22 years. Nothing of the sort. We just want the Tories to carry out the promises they said they would carry out if elected.

There appear to be no plans under way for an immediate reduction in taxation as suggested by the Prime Minister when he was leader of the Tory opposition, back in Toronto on April 25. He said at that time that when the Conservatives formed the government of this country a session of parliament would be called to reduce taxation. We have the session of parliament, but no budget appears on the horizon. In fact, the Minister of Finance (Mr. Fleming), seems reluctant even to discuss a budget.

The Prime Minister also said that the Tories would have a vigorous immigration policy to increase the population of Canada. After they took over the reins they took steps to stop immigration.

Speaking in Charlottetown on April 29, the present Prime Minister said that the pipe line bill had made millionaires of a few friends—a few companies—who had bought shares in Trans-Canada Pipe Lines Limited at $8 a share. He asked: "Who risked the money? You and I. Who made the profits? Those pampered pets." Whose friends are they now? Whose pampered pets?

The Tories made the promises, but for downright flaunting of public opinion the Liberals took the cake in western Canada. On May 6, the son of the former prime minister, spoke in my home city of Moose Jaw, and I quote:

I'm from the east. I'm not a wheat man, but at least I have a solution which could be an answer to some of the wheat sale difficulties.

[Mr. Lewry.]

The hon. member for Temiscouata (Mr. St. Laurent) spoke of a new method of treating wheat being developed by an American company, whereby it looked and tasted like rice. Since more than half the population of the world is rice-eating, the hon. member saw in this the possibility of greatly expanding Canada's wheat market and providing a solution of the present wheat-selling problem. He said the new product had been tested in Puerto Rico and India and had been considered favourably by the Canadian government. There were problems concerning rice-producing countries which, however, would have to be met, he added. I am wondering now if the Tories are continuing to offer such an easy solution to the problem of the wheat surplus in Canada.

Moose Jaw is the buckle of the wheat belt. Our farmers grow the finest hard wheat in the world, but the policies of the Liberals for 20 years, now apparently being continued without change in any respect by the present administration, have put our western farmers on the brink of depression. They are moving off the farms because of the lack of any planned agricultural policy of the federal government. The youngsters cannot make a living in farming any more and they cannot be enticed into staying on the farm. Agriculture is the mainstay of a large part of the economy of our country. That should be recognized by the federal government as it is recognized in almost every other agricultural country in the world.

Some of the problems that the farmers in my constituency have told me of include the dire need for equalization of delivery quotas for all shipping points. They demand the right to deliver their grain to elevators of their own choice. If they get a quota opened up, they cannot make deliveries because there are no box cars; or if there are cars, there are no orders and the elevators are full. In many communities in my constituency, farmers are forced to deliver grain to the line elevators simply because the box cars are not distributed at the delivery point in accordance with the place where the farmers wish to deliver their grain. As an example, at one time the pool elevator at Bulyea in my constituency purchased 80 per cent of the grain at that point. At present the percentage has dropped to 60 per cent, simply because the box cars are spotted at the line elevator, forcing the hard-up farmers to deliver grain there, over and above what the line companies should have.

Today I received a letter from a farmer in the centre of my constituency. It reads in part:

My farm consists of 240 acres, 210 of which are under cultivation. The other 30 acres is in pasture. So you see what a 5-bushel quota means to me for two years in succession. I have stored up enough grain for over two years ahead, and have nothing to live on. We small farmers have the same living expenses as the medium or large farmer. If it was not for the cream cheques, I would have had to leave the farm two years ago. But no matter how hard I try and save, if this present quota set-up continues I will have to leave the farm on which I have lived for 22 years and raised my family of four children. My farm and machinery are paid for, due to the hard work and self-denial of my family. But if the present set-up is not changed I will have to sell it to a larger farmer for the price he offers me, not for what it is worth, as I will have no other alternative as I have been going backward year after year since 1953. This is the part that hurts most of all. All that will be left for me is to sell the farm, move to the city, walk the streets and start all over again as a day labourer now that I am of middle age. All this would not be necessary if we had a party in power that had the welfare of the common man at heart.

I noted with some interest a news story in the press not too long ago to the effect that this House of Commons is back on the Thursday to Tuesday weekend. I am not at all convinced. I believe that story was written in an effort to indicate to some constituents—and it cannot apply to mine as the long weekend is not long enough for me to go home to Moose Jaw-Lake Centre and back—that these eastern members of parliament are not spending their time in the house.

I am wondering what those same reporters would report back to their editors if the members of parliament revealed that the press gallery appears to be on a one-hour question period alert on many occasions. My fellow members of the fourth estate file out of the press gallery like homing pigeons after the question period. On many occasions the press gallery fort is held by one lone reporter many hours of the day. We realize they have work outside this chamber; perhaps they will realize that we also have duties to which we must attend outside this chamber.

While I am on the subject of the press I would point out that it is becoming increasingly evident—and this is not criticism of the working reporters in the house—that the editors back home are using their large pencils to delete from stories filed in Ottawa, references about their elected members here and apparently there is no rule so far as party preferences are concerned. If you come from Saskatchewan, newspapers in Ontario and Manitoba use the stories, but not the newspapers in Saskatchewan; or, at most, not in the home constituencies of the elected members. There also appears to be an iron curtain around news from western Canada in eastern newspapers. We do not read news from Saskatchewan in the great journals of the east. I was somewhat surprised to pick up a Regina newspaper the other day which contained the following story:

Enthusiastic Liberal delegates on their way to Moose Jaw early this week for a two-day provincial council convention ran afoul of the R.C.M.P. radar timing device located temporarily at the half-way point between Regina and Moose Jaw.

Out-of-pocket delegates by way of explanation said they had been caught because they were in a hurry to get the convention started and draft up a plan for better living in Saskatchewan.

Mr. Castleden: Liberals in a hurry.

Mr. Lewry: I continue:

Notable among the delegates thumbed off the highway for a date with a ticket were Hon. Lester B. Pearson; provincial Liberal leader A. H. "Hammy" McDonald; and provincial president Dr. H. S. Jamieson, all in the same car.

"A clean sweep if ever there was one", one of the car's occupants remarked.

I did not notice any report of such a clean sweep in eastern newspapers. They must have had a sympathetic judge, too, for the C.C.F. to allow such notable Liberals to get away with just a fine.

Another point I would like to mention is that during the election campaign suggestions and promises were made in connection with the need for expanding industries. Coming from western Canada, I can say that while Saskatchewan in the past 15 years has developed from a totally agricultural province to a province with secondary industries there is much need yet for industries within our province. In the overcrowded east industry is forced to pay higher prices for land. In Saskatchewan we have acres of suitable land available for expanding industry at a very attractive price compared with the rates here in Ontario. From a point of view of defence and decentralization a policy of assistance to such industries to locate in the central provinces of Canada should be developed.

Our municipalities both urban and rural, in the west in particular, are continually facing increasing tax rates and increasing demands for services. Having spent some seven years in the mayor's office in Moose Jaw I can tell you that the elected representative closest to his elector is the councillor and mayor of a city or town, the reeve and councillor of a rural municipality. The Prime Minister has already taken action to discuss with the provinces the matter of provincial-federal fiscal relations. We have not been assured that the views of municipalities will

be considered or discussed except only in so far as the provinces may wish to do so. The municipalities all across Canada are facing ever-increasing financial burdens with no hope of relief unless a new fiscal arrangement on the sharing of the tax dollar can be worked out.

I mentioned a moment ago the fact that Saskatchewan in the past 15 years has changed from a total agricultural economy to one with developing industry. Much has been said in the press both here and in the west about the failures of the crown corporations in Saskatchewan. I wish to point out that the crown corporations of Saskatchewan have resulted in a much more buoyant economy for the people of our province. Despite what may have been said and regardless of what you may have been led to believe the government of Saskatchewan has been better able to give social welfare services to our people with the help of the crown corporations.

Taking into account those few corporations that did fold the total wages paid to the workers of the 21 crown corporations of Saskatchewan up to the end of 1956 was $30,562,000. In addition, grants in lieu of taxes paid to municipalities totalled some $308,500. And dues and royalties paid back to the provinces were in excess of a total of $5,500,000. Some people would defame their own province and foul their own nest by maligning the crown corporations and their operations but the people of Saskatchewan are proud of the accomplishments and the results of the operation of these industries and services.

I suppose as most new members do prior to taking their seats in the house, Mr. Speaker, I sought information on the proceedings and operations of this level of government. I was fortunate in having been given a copy of an autobiography of an esteemed former member of this chamber, the Hon. Sir George W. Ross who for 11 years represented the Ontario riding of Middlesex West. I was told by my hon. friend across the way, the present Conservative member for Middlesex West (Mr. Thomas), that he is the first Tory to represent that riding in about 75 years so I am sure he and other hon. members on that side of the house will be interested in hearing some of the references in this book. Dealing with initiation day in the House of Commons in the year 1873 Mr. Ross states:

> My seat was to the left of the Speaker (or rather to the left of his chair, for there was as yet no Speaker), and about the middle of the fourth tier of seats. Who designated me to this particular part of the chamber I do not know. I answered to the label on my desk. It was the same as that of my wardrobe locker, "Ross—Middlesex". My seat was well situated for observation, and, comfortable though it was, I felt myself in strange surroundings—strangers to the left of me, strangers to the right of me, strangers in front of me, shuffled and chattered. But many were old acquaintances by reputation, good, bad and indifferent—

Later he continues:

> The routine of the house soon becomes uninteresting. After listening to a few speakers on any question one feels there is little more to be said. Why should you not in self-defence, if for no other reason, go to your room or take a stroll through the lobbies with some fellow member and avoid the ennui of a tedious debate—or, what may be preferable, go into the open air and recuperate your flagging energies? Then there is the freedom of number nine—

The ante room—

> —where you can smoke your pipe or cigar and enjoy the good fellowship of others who like yourself have been overcome with the tedious reiteration of arguments neither new nor forcible. Or you have some correspondence to attend to, or an interview from a friend with a grievance, or business with some minister in his private room, or something to look up in the library. And so to keep your place in the house for a long sitting becomes irksome. Nothing but a full dress debate by the leaders commands your attention; all the rest is "vanity and vexation of spirit". As a consequence days and weeks are spent to very little purpose; you have added nothing materially to your knowledge of public questions, you have marked time, that is all. Now, to a young man, a few sessions spent in this way is fatal to his career.

I remind hon. members that this description was written back in 1873.

Mr. Pickersgill: Mr. Speaker, I wonder if the hon. gentleman would permit a question. How does the hon. member relate that quotation to the amendment now before the house?

An hon. Member: He has to fill in his 40 minutes somehow.

Mr. Lewry: Mr. Speaker, I am glad the hon. member raised that question because that is the point with which I intended to deal next. I turn now to Mr. Ross's description of the session of 1882. He says:

> The chief interest in the session of 1882 centred around the bill to adjust the representation of the electoral districts of the province of Ontario, better known as the gerrymander bill. Under the constitution the representation of the different provinces must be adjusted decennially, Quebec alone remaining constant—

And so on. I continue:

> Sir John Macdonald introduced the bill on April 28, or within three weeks of the close of the session, and the excitement on the opposition benches was intense. Nearly all its active members were affected by the changes proposed. It was evidently the intention of the government to hold its majority by brute force, otherwise why change county boundaries and shift municipalities like pawns on a chess board, regardless of symmetry or public convenience? Nothing more unfair could have been devised, and the debate was accordingly warm and aggressive.

—Accordingly I presented what I called an alternative bill in part as follows:

Whereas by the census of the year of our Lord 1881 and in accordance with the British North America Act of 1867—

Et cetera—

Therefore Sir John Macdonald, by and with the advice of party wire-pullers and Tory deputations from the province of Ontario and with the connivance of the Tories from the other provinces, enacts as follows:

1. The House of Commons shall consist of 211 members, a majority of whom shall belong to the Conservative party.

My suggestion to the Liberal opposition in this house is that they could very well copy the example set by Mr. George Ross in 1882 and move a similar motion to the effect that the House of Commons shall consist of 265 members, a majority of whom shall belong to the Progressive Conservative party, and I am sure hon. members opposite would willingly support it.

In conclusion, we welcome the measures indicated in the speech from the throne and we urge that the measures be placed before parliament with the least possible delay in order that the benefits proposed therein may accrue to the people of Canada at once. However, we also urge consideration in our amendment that the government deal with inflation, unemployment and other serious problems that face this country. Mr. Speaker, I will support the amendment.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, a few days ago the hon. member for Algoma East (Mr. Pearson), in speaking in this debate, drew attention to—I take it deplored—the fact that not many cabinet ministers had thus far taken part in the debate. I can give him the reason at once, Mr. Speaker. It is that there are so many new members in the house, able members, who should have every opportunity to participate in this debate. But it has occurred to me that some things might be said tonight at this stage of the debate after we have heard now nine days of debate arising upon the lack of a motion of want of confidence on the part of the official opposition and upon a motion of want of confidence on the part of the C.C.F.

It is in no perfunctory sense, sir, that I offer my hearty congratulations to those two new members, the mover and the seconder, of the address in reply to the speech from the throne. Both of them acquitted themselves with distinction and, like so many of the other new members in this house who have participated in this debate, have earned the congratulations that have been generously showered upon them.

Perhaps you will forgive me a personal word, Mr. Speaker, having regard for the composition of this new house and another change which is to take place on Monday next. It was in the month of September, 1923, that a third-year class in English constitutional history in the University of Toronto awaited the arrival of a lecturer and when the lecturer stepped into that classroom it was hard to identify him as a lecturer. He was youthful looking; he looked more like an undergraduate but he proved to be a very capable and popular lecturer. That gentleman, Mr. Speaker, is now the hon. member for Algoma East (Mr. Pearson). I was one of the students in that class.

Then one thinks of a scene two years later in the first-year classroom at the Osgoode Hall law school when a class that included the hon. member for Laurier (Mr. Chevrier), the hon. member for Essex East (Mr. Martin), Senator Brunt, the late Senator Joseph Bench, Mr. G. R. Boucher, the former member for Carleton, Mr. William Robinson, the former member for Simcoe East, Mr. Frank Flaherty, a member of the press gallery, and myself awaited the arrival of a lecturer in a class on the law of personal property. He when he arrived also was a young looking lecturer. He is today the Secretary of State for External Affairs, Doctor Smith. Students of his learned much from him; I am sure he is capable of teaching us a good deal yet if we are still capable of learning.

This session has now run five weeks, Mr. Speaker. If one were to endeavour to sum up its features I think there are two that would be outstanding. The first has been the ample government program put swiftly before the house in fulfilment of the pledges given to the Canadian people during the election campaign. The second has been behaviour, irresponsible to an unprecedented degree, on the part of those yonder who have been busy heaping upon the government criticism and denunciation and yet in the votes insist on supporting the government with might and main. Their criticism of us has been bitter; they have jeered at us; they have sought to harry us; they have sought to harass us; they have sought to delay us; they have endeavoured to ridicule us.

Mr. McIlraith: No.

Mr. Fleming: They have said we are unfit to hold office, Mr. Speaker. If they really mean what they say, then I suggest that their consciences should dictate to them that they should act and vote in accordance with their own words.

The record of the government, sir, in those five weeks has been an exemplary one of promises fulfilled with dispatch. Look at the pensions legislation. Five bills now have met the approval of the house; bills which hon.

gentlemen opposite had ample opportunity to introduce to provide for the increases which these bills provide for, but which they did not find it in their hearts to introduce when they were the government and had an ample majority to support them in this house at the last session.

Legislation has been introduced for the benefit of veterans. Cash advances have been provided for farm-stored grain. A measure is on the order paper to give to agriculture the fulfilment of the promise of a new deal for that basic industry of Canada. The government's program for national development, applicable to all parts of Canada, received today a striking measure of fulfilment in the announcement that the Prime Minister (Mr. Diefenbaker) made with respect to the financing of the Beechwood project in New Brunswick and the whole power development project that is going to bring very great benefits to the Atlantic area.

Mr. Pickersgill: The Liberal program.

Mr. Fleming: And the Leader of the Opposition (Mr. St. Laurent) might just as well spare himself the effort of trying to prove that the program which was announced in that behalf today by the Prime Minister is some mere continuation of a program initiated by the former government.

This is not the same kind of program for national development in the Atlantic areas, sir.

Mr. Pickersgill: Explain.

Mr. Fleming: They had their opportunity to do something to assist in the financing of the Beechwood project but they would do nothing in that regard. It remained for this government to come along and to pick up the pieces and to provide a measure of assistance in the financing of that project which we think will bring great benefit to that part of Canada.

And, sir, in the matter of fiscal relations and other relations between the dominion and the provinces, the fact does not yet appear to have penetrated the perception of hon. members opposite that on Monday and Tuesday, the 25th and 26th of this month, there will assemble under this roof a conference of representatives of the dominion and provincial governments in this country.

Now, the hon. member for Twisted-Billingsgate, I think the name was given to the house not long ago—

Mr. Pickersgill: It was not even funny the first time.

Mr. Fleming: All right; then let's have it Twisted-Billygoat.

[Mr. Fleming.]

Mr. McIlraith: You should have a little better trend of humour.

Mr. Fleming: The hon. member, by whatever name he may be called, was indulging in his favourite occupation. I would have thought that by this time the hon. member would have learned something from June 10, but evidently no lesson has yet been learned by him. His whole speech on Tuesday of this week in this house in relation to dominion-provincial relations can be summed up in two words, "Hate Ontario". Now, he ought to know—

Some hon. Members: Oh, oh.

Mr. Fleming: He ought to know by this time that that same campaign was attempted in the maritime provinces by the Leader of the Opposition in the election campaign and the people of the maritimes responded to it by electing a strong representation of Conservative members to the House of Commons. The people of the maritime provinces knew very well that the man who then headed the Conservative party and today heads this government is not the kind of man who plays favourites with any part of Canada, but at all times recognizes his full responsibilities to all parts of Canada. The hon. gentleman opposite spent his best efforts that day in erecting a straw man and then proceeding to tear him to pieces, to dismember and throw acid on him and finally to set fire to him.

Mr. Pickersgill: You do not need acid to set fire to a straw man.

Mr. Fleming: The hon. member indeed delved into the realms of fancy, and in his case it was a disordered fancy. I can say to the hon. member, and to all members of this house, that it is not the intention of this government in entering upon that conference a week from Monday and Tuesday, to follow the tactics that were adopted by the former government in its meetings with the representatives of the provinces of this country. We have no intention of laying down any cut and dried, hard and fast program and adopting towards the provinces a take it or leave it attitude; that is not our method. We recognize the important responsibilities which the governments of the provinces bear and we shall, I hope, all of us, sit down together as Canadians, to try to devise understandings that will be of benefit to all parts of Canada.

Sir, five months will have passed—

Mr. Pickersgill: I wonder if before the hon. gentleman departs from that subject I might be permitted a question? Can he assure the house the government has no intention

of departing from the principle of equalization now existing in the arrangements with the provinces?

Mr. Fleming: The hon. gentleman knows quite well what has been the position taken by this party and by its leader in that respect.

Mr. Pickersgill: I do not.

Mr. Fleming: If he needs a further reminder, it is on record. If he is not satisfied with that, he will have ample opportunity to hear, during the opening proceedings anyway, a week from Monday, what is said in that regard. The principle of recognizing the needs of the provinces will certainly be vindicated in a much more Canadian manner than was the case under the former government.

Mr. Pickersgill: We shall see.

Mr. Fleming: Next week, on the 21st of this month, this government will have been in office five months. What was the situation to which we fell heir on June 21? One hon. member opposite managed to indulge in a little frankness on the subject. The hon. member for Algoma East, when speaking in this debate, did say that we inherited serious problems when we took office. Those were on our doorstep.

So that there may be no doubt in anyone's mind—I do not pretend that this enumeration is complete—here are but a few of the problems that we inherited: First, the heaviest tax burden on the Canadian people in all their history; second, expenditures running at the highest rate in all Canadian history; third, waste and extravagance in government; fourth, a record wheat surplus—what a legacy that was for a new government to inherit at the hands of a government which had neglected the problem!; fifth, the highest trade deficit in Canada's history; sixth, a record deficit of astronomical proportions in our commodity trade with the United States; seventh, the continued loss of the traditional market of the Canadian primary producers in the United Kingdom.

Mr. McIlraith: That is for farm products?

Mr. Fleming: Eighth, our Canadian trade eggs, under the policy of the former government, placed to a dangerous degree in one basket; ninth, a cost of living that had been rising under the regime of the former government, not just for months but for years; tenth, the highest interest rates in a generation; eleventh, the tightest credit conditions; twelfth, a substantial measure of unemployment, substantially larger than a year before at the same time; thirteenth, dominion-provincial relations in a very disturbed condition with provinces and municipalities up and down this country, ten provinces and 4,500 municipalities, all complaining about injustices received at the hands of the dominion government; fourteenth, pensions inadequate for our aged persons, for disabled persons, the blind and the veterans; fifteenth, and let this not be forgotten, Mr. Speaker, a public till that was practically empty.

Mr. Pickersgill: What about the half billion dollar surplus you were talking about?

Mr. Fleming: The surplus the hon. member mentions was not there in cash when we took over; the till was virtually empty. In sixteenth place, just to make sure that their successors would have to pay some of their bills, they left the $100 million to be provided for the Canada Council in this year's accounts instead of taking care of it last year; seventeenth, heavy maturities of dominion government bonds falling due in so short a time that it left little or no opportunity for adjustments and for easy timing in providing payment of these maturities; eighteenth, a capital shortage that was creating financial embarrassment for provinces and municipalities and businesses.

These are but a few of the elements in the heritage that was passed on to this new government at the hands of their self-satisfied predecessors.

Mr. Coldwell: May I ask the minister if he has not forgotten something?

Mr. Fleming: I have not attempted to give a full enumeration at all.

Mr. Coldwell: There is one very important one, and that is the Trans-Canada Pipe Line agreement.

Mr. Fleming: The Trans-Canada Pipe Line agreement may well be mentioned because it was Her Majesty's loyal opposition last year, represented in this government today, that took its firm stand on that issue and hon. members of the C.C.F. need not be arrogating to themselves any exclusive credit for the noble fight that was put up over that and the parliamentary issue that arose from it.

Now, sir, let us be judged by our efforts and by our accomplishments in this space of less than five months. Let us be judged as a government by the legislation we have introduced in this house. Let us be judged by our administration. We are content to be judged by those standards. This government has set, I think, a new record for hard work on the part of ministers,—

Some hon. Members: Oh, oh.

Mr. Fleming: —led by the example of the Prime Minister. The entry of this new government into office has been like a breath of

fresh air here in Ottawa, sir. It was a breath of fresh air indeed, as those who had occupied the positions of office previously, in the language of the hon. member for Montmagny-L'Islet (Mr. Lesage), those worn out men were not only worn out but driven out.

Mr. Pickersgill: Is it not true that the air was air conditioned?

Mr. Fleming: Speaking of accomplishments, as far as that matter is concerned let me say this, and I think it can be said with reasonable humility.

Some hon. Members: Oh, oh.

Mr. Fleming: No previous government in Canada's history has accomplished as much in five months for the good of Canada as has this government. I would there were time to review the whole record, Mr. Speaker, but I will take time only to mention a few of the highlights.

On wheat, this great national problem,—not just a western problem but a national problem—we have provided cash advances on farm stored grain and my colleague the Minister of Trade and Commerce (Mr. Churchill) has thrown into sound disposal policies with respect to that wheat an energy which has not been exhibited in that respect for many and many a year.

Some hon. Members: Oh, oh.

Mr. Fleming: We have grappled with the problems of waste and extravagance. We have faced the problems of these government maturities. In the one issue of government bonds that has been marketed since this government came into office, an issue of $700 million last month, the issue was over subscribed and the books were closed within half an hour of the time they opened. The twelfth Canada savings bond campaign was inaugurated several weeks ago. I am happy to report to the house that the sales of series 12 of the Canadian savings bond have, up to November 8, been pushed to the highly gratifying total of $654 million, an increase of 27 per cent over sales at the comparable date last year in respect of the eleventh series.

Mr. Richardson: May I ask the Minister of Finance a question?

Mr. Fleming: I am afraid I will have to ask to be excused from answering a question. My time is limited. I have only a few more minutes and I will have to ask the hon. member to reserve his question.

Mr. Pickersgill: On a point of order, Mr. Speaker—

[Mr. Fleming.]

Mr. Monteith: Sit down.

Mr. Fleming: Here is just a sample of the way in which they try to take up our time. The hon. member knows—

Mr. Pickersgill: Mr. Speaker, I was rising on a point of order.

Mr. Fleming: To take up my time.

Mr. Pickersgill: Is the minister not mistaken in saying that his time is limited? Is he not replying to an amendment—

Mr. Monteith: There is a vote at 9.30. What are you talking about? Sit down.

Mr. Fleming: The hon. member, of course, has overlooked the rules. I do not know whether he even knows them. But if he did know them he would know that by the rules this debate must end by 9.30. I should like to deal with questions; ordinarily I welcome them, but at this time, if the hon. member will permit me to do so, I should like to continue with my remarks as I have a good deal of ground yet to cover.

Mr. Pickersgill: I beg the minister's pardon.

Mr. Fleming: Much has been said about inflation. The Leader of the Opposition wound up his speech in this house on October 16 by touching on the dangers of inflation. The amendment which is about to be voted on tonight, and which was introduced by the hon. member for Rosetown-Biggar (Mr. Coldwell) if you please, calls upon the government to give immediate consideration to the menace of inflation. Mr. Speaker, we have been at all times very mindful of this problem. I am happy to say to you, sir, as I said on a similar occasion several days ago, that the threat of inflation in Canada has now been checked.

Let me give you several proofs. In this house two days ago I referred to the fact that in the past two months interest rates paid by this country on its treasury bills had dropped by 3/10 of one per cent. I am happy to report that in the weekly issue of treasury bills today we have achieved a further reduction which now brings the reduction in the last two months to 4/10 of one per cent. Today, Mr. Speaker, the Bank of Canada rate, for the first time since early last spring, dropped below 4 per cent. With the drop in the rate on treasury bills the bank rate today arrived at the figure of 3.99. It was last February and then briefly in April that that rate crossed the 4 per cent line for the last previous time.

Another feature that bears out the assertion I have made as to the checking of the dangers of inflation comes from New York this afternoon, following the close of

business in the financial houses. The federal reserve bank of New York this afternoon reduced its rediscount rate, which is the counterpart of the interest rate of the Bank of Canada, from 3½ per cent to 3 per cent. I may remind the house that the federal reserve bank of New York had increased its rediscount rate just in August from 3 per cent to 3½ per cent. Today's reduction is a significant development indeed, Mr. Speaker.

I give another example. It is the strengthening of the market for Canada bonds. The strengthening of the market for our bonds has really been phenomenal in recent weeks. Many of the issues are selling at from four points to six points higher than they were selling two months ago. With this strengthening has come an improvement in the financing opportunities that are open to municipalities, provinces and business. But we are still not satisfied. I do not wish to give anybody the impression that we are satisfied. However, we find these improvements most gratifying indeed, and they fully support the confidence that the government has shown in its own policies in the face of the doubtful heritage it received at the hands of its predecessors.

There is one final matter which I might mention—I mentioned it in the house two days ago—and that is that the rise in the cost of living, which has gone on literally for years under the former government, has been checked. Two days ago I mentioned that in October the consumer price index rose only from 123.3 to 123.4.

In this list of promises fulfilled and duties discharged by the government let me remind the house of what we did with regard to housing. The tight money policy made its effects felt more severely with respect to house construction than perhaps in any other sector of the Canadian economy, unless it be in its effect on small business and credit to the agriculturalist. Facing that situation and in the due fulfilment of our undertaking given to the Canadian people, we looked at the slow-down in the rate of house construction in this country under the policies that were in effect when we took over, and we provided an additional $150 million for loans for new housing construction. That money has added substantially to the rate of housing starts in Canada in these past three months and will contribute substantially to employment in the winter. That was a courageous action. We took it. Why did not our predecessors take it if they had any regard for the decline in house construction or for employment in this coming winter?

On the matter of trade, what irks hon. gentlemen opposite is not that we did not fulfil our promises. What irks them is that in the matter of our trade undertakings we have fulfilled our undertakings to the letter. This government had not been in office two days when the Prime Minister left for London and, in London, made the first plea for the holding of a commonwealth trade and economic conference. Then followed the conference at Mont Tremblant and its achievement of unanimity on the part of the commonwealth countries, of which eleven were represented there, in favour of a commonwealth trade and economic conference next year. The plans are going forward and we have reason to hope that the other countries in the commonwealth will accept the invitation of this government as extended to them to hold that important conference in Canada.

Mr. Martin (Essex East): How many of them have accepted now?

Mr. Fleming: The hon. gentlemen opposite have sought at every opportunity to jeer at this decision to hold a commonwealth trade and economic conference. Why? I will tell you why; it is not merely because we have done something they could not do, it is because we have done something that they made no effort to do and in which they do not believe. We have listened to their carping criticisms; we have listened to their jeers about our efforts to expand trade within the commonwealth. They do not like the commonwealth. They do not like the idea—

Some hon. Members: Oh, oh.

Mr. Gardiner: One was held before.

Mr. Fleming: —of expanding trade and economic relations within the commonwealth. If they have some regard for the commonwealth why did they not do something about expanding trade with the commonwealth; why did they not do something about it while the Canadian farmer lost his commonwealth market? And yet they jeer. How they jeer at the declared policy of this government to seek, by reasonable means, to divert to the United Kingdom and commonwealth sources purchases now made in the United States.

The hon. member for Algoma East had some very weasel words to say on this subject. Look at his remarks at page 331 of *Hansard*. He undertook to say, and oh, how much it hurt him! He criticized what the

Prime Minister said in declaring his policy in favour of that diversion of trade and then goes on to say:

> I do not for one moment 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.

Weasel words! Double talk! He exerted his very considerable talents to prove that it could not be done. Give us time and we will prove that diversion is a possibility. It has never been said that this could be done overnight; it has never been said that it could be done in a year or in a year and a half, but it is our policy. It is a policy that, given time and opportunity and the confidence of this house, will be put into effect. Give us the confidence and we will do the job. This diversion will not be accomplished at the expense of the Canadian producer. No, this is a matter of diverting from the United States sources to commonwealth sources purchases that we are now making in the United States.

Mr. Martin (Essex East): That is not what you said in Washington.

Mr. Fleming: It is exactly what we have said at all times. It is what we said at Washington as well.

I can see that I am not going to be able to finish, Mr. Speaker, but I do wish to say to the hon. member for Essex East who is just now interrupting me that I do hope that although having his overweening ambition directed to a certain event on the 16th of January next he will keep from making any more distorted and untrue statements such as those which have been tumbling from his lips during his public appearances recently.

The hon. member for Essex East deplores what he says is a strange thing "to increase trade by taking business away from our best customer". Who is the best customer? What about the best customer of the United States? How about Canada? Does he want to see Canada go on as it did last year, purchasing in commodity trade from the United States $4,167 million worth of goods while that country bought from us only $2,819 million, for a trade deficit of $1,348 million. Does he like that? He says "hush hush. We must not say anything to offend our best customer." Then there is a deficit on current account; presumably he likes that too. The Canadian deficit on current account with the United States last year was in the amount of $1,640 million and the record of the former government showed a deficit in the international current account of $1 billion in the first six months of 1957. This is part of the heritage to which we fell heir. Well we intend to continue to make the same vigorous presentation of Canada's trading interests and rights as did those of us who had the honour to represent this government at Washington and who met face to face with the members of the United States cabinet one month ago.

I come now to the matter of the trade mission which will leave for the United Kingdom next month, as announced by my colleague the Minister of Trade and Commerce. The words which came from the lips of the Leader of the Opposition in his speech in this debate on October 16 will not be forgotten. We heard from him words which belittled the proposal again on October 23, which belittled the efforts of the government in this respect to send a trade mission to the United Kingdom which would seek to increase the flow of trade between these two countries. But he changed his tune—a remarkable change of tune—at the end of last week. You would not have recognized the same man. It was the same voice but it was a different kind of thought behind it.

The trade mission which is going to the United Kingdom next month is the most important trade mission which has ever gone out from this country. Those public spirited men who are the members of the mission and who have so readily and generously responded to the request of the government that they serve in this capacity are giving their services free. The government is paying the expenses but these men are giving their services and I think that what is called for, and deserved on the part of this trade mission and its members and the government that appointed it, is something better than the jeers of the hon. members opposite.

Mr. Speaker: I am sorry to interrupt the hon. member but it being 9.30 o'clock p.m. it is my duty pursuant to section 4 of standing order 38 to interrupt its proceedings and forthwith put the question on any amendment now before the house.

The house divided on the amendment to the amendment (Mr. Coldwell) which was negatived on the following division:

YEAS

Messrs:

Argue	LaCroix
Barnett	Lewry
Boucher	Macdonald (Vancouver-Kingsway)
Bryce	McCullough
Bryson	Martin (Timmins)
Cameron	Peters
Carter	Proudfoot
Castleden	Schulz
Coldwell	Stewart (Winnipeg North)
Ellis	Winch
Herridge	Zaplitny—25.
Howard	
Johnson (Kindersley)	
Knowles (Winnipeg North Centre)	

NAYS

Messrs:

Aiken
Aitken, Miss
Anderson
Arsenault
Ashbourne
Balcer
Barbes
Baskin
Batten
Beech
Begin
Bell (Carleton)
Bell (Saint John-Albert)
Benidickson
Best
Blackmore
Blanchette
Bonnier
Bourque
Brassard
Brisson
Brooks
Broome
Browne (St. John's West)
Byrne
Campbell (Lambton-Kent)
Cardiff
Cardin
Casselman
Cathers
Chabot
Charlton
Chown
Christian
Coates
Comtois
Courtemanche
Crouse
Deslieres
Diefenbaker
Dinsdale
Dumas
Fairclough, Mrs.
Fleming
Fraser
Gardiner
Gauthier (Chicoutimi)
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gour
Green
Grills
Habel
Hahn
Haidasz
Hales
Halpenny
Hamilton (Qu'Appelle)
Hansell
Hardie
Harkness
Hees
Henderson
Hodgson
Holowach
Huffman
Irwin
Johnston (Bow River)
Jung
Knowles (Norfolk)
Kucherepa
Landry
Langlois
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Verdun)
Legare
L'Heureux
Loiselle
MacDonald (Antigonish-Guysborough)
Macdonald (Kings)
Macdonnell
MacEwan
MacInnis
MacLean
Macnaughton
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McGee
McGrath
McIlraith
McIvor
McLeod
McMillan
McPhillips
McWilliam
Maloney
Mandziuk
Marler
Martin (Essex East)
Martini
Milligan
Mitchell
Monteith
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Noble
Nowlan
O'Hurley
Olson
Patterson
Pearkes
Phillips
Pickersgill
Poulin
Pratt
Quelch
Rea
Ricard
Richard (Ottawa East)
Richardson
Robinson
Rowe
Rynard
St. Laurent (Quebec East)
Simpson
Small
Smith (Battle River-Camrose)
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Stanton
Starr
Stefura
Taylor
Thomas (Middlesex West)
Thompson (Edmonton-Strathcona)
Thompson (Northumberland)
Tucker
Valois
Villeneuve (Glengarry-Prescott)
Villeneuve (Roberval)
Walker
Winkler
Wratten
Yuill—152.

Mr. Speaker: I declare the amendment lost.

Mr. LaCroix: Mr. Speaker, may I call it ten o'clock?

Some hon. Members: No.

Mr. Speaker: Order.

Mr. LaCroix: I move the adjournment of the debate.

Mr. Martin (Essex East): Mr. Speaker,—

Mr. Speaker: Is the hon. member for Essex East rising on a point of order?

Mr. Martin (Essex East): No; to speak, Mr. Speaker.

Some hon. Members: No.

Mr. Martin (Essex East): Absolutely.

Mr. Speaker: Order. I recognize the member for Quebec-Montmorency.

Mr. Martin (Essex East): Mr. Speaker, with all of the applause which the hon. gentleman and I are receiving it is difficult to understand what you are saying. I have now your permission to speak?

Mr. Speaker: Order.

Mr. Martin (Essex East): Mr. Speaker,—

Some hon. Members: Order.

Mr. Speaker: Will both hon. members please resume their seats? Will the hon. member for Quebec-Montmorency resume his seat? Does the hon. member for Essex East rise on a point of order?

Mr. Martin (Essex East): No; to speak.

Mr. Richardson: Mr. Speaker, may I rise on a point of order?

Mr. Speaker: I have recognized the member for Quebec-Montmorency to speak on the question which is on the main motion. Now, of course, it is in the disposition of the house—

Mr. Gauthier (Portneuf): On a question of privilege, Mr. Speaker,—

Some hon. Members: Order.

Mr. Gauthier (Portneuf): On a question of privilege, there is a list agreed to by the whips in which the first speaker is a Liberal, the member for Essex East, and I want the hon. member to have the floor.

Mr. Speaker: I heard the member rising on a question of privilege. Actually, I have no list and I have no names before me.

Mr. Gauthier (Portneuf): You have the list.

Mr. Speaker: I repeat, I have no list with any Liberal name on it and, in any event, I remind members of the house that arrangements between whips are not any part of the official standing orders and while they are followed as a matter of custom I have, in this instance, recognized the member who appeared to me to rise first and that was the member for Quebec-Montmorency.

Mr. Gardiner: Mr. Speaker, on a point of order, the hon. member for Quebec-Montmorency rose to ask for an adjournment, to call it ten o'clock, and the hon. member for Essex East is ready to speak now and raised objection to it being called ten o'clock.

Mr. Speaker: There is no point of order as to who shall be recognized. If hon. members are dissatisfied with the ruling of the chair in selecting one member or another it is always within the power of the house to move that the other member be given the floor, but I have recognized the member for Quebec-Montmorency.

Mr. Cardiff: On a question of privilege, there was no name from the Liberal side of the house inserted in the list; there is no name from the Liberal side of the house on the printed list.

Mr. LaCroix: Mr. Speaker, may I call it ten o'clock?

Mr. Speaker: By leave, has the hon. member permission to call it ten o'clock?

Mr. LaCroix: I move the adjournment of the debate.

Mr. Speaker: Moved by Mr. LaCroix, seconded by—

Some hon. Members: The hon. member for Pontiac-Timiskaming (Mr. Proudfoot).

Mr. Speaker: —that the debate be now adjourned. Is it the pleasure of the house to adopt the motion?

Some hon. Members: No.

Mr. Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay. In my opinion the yeas have it.

On motion of Mr. LaCroix the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Marler: What is the business 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.

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:

T.C.A. PASSENGER VOLUME, LAKEHEAD

Question No. 58—**Mr. Fisher:**

1. What was the passenger volume per month of T.C.A. flights into the lakehead and out of the lakehead from June, 1956 to June, 1957?
2. How many potential passengers out of the lakehead converted their tickets to other travel means or cashed them in during the above-mentioned period?
3. How many extra T.C.A. flights were set up out of, and into, the lakehead in the above-mentioned period?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

1. During June, 1956, two Viscount, two North Star and one DC 3 flights were operated daily into the lakehead, these numbers increasing by June 1957 to six Viscount and two DC 3 flights daily—an increase of about 50 per cent. Actual passenger volume figures are not released to the public by the company in this regard as this information would be of advantage to competitive transportation agencies.

2. To ascertain the number of potential passengers who converted their tickets to other travel means or cashed them in would require lengthy and costly research on the part of T.C.A. all across the country since tickets are refundable at any T.C.A. office across the system while, in addition, many tickets are purchased under the air travel card system which may not be used and then are turned in for credit to the monthly account of the subscriber.

3. Three Viscount and eleven DC 3 extra sections originated at the lakehead during the period June 1956 to May 1957 inclusive.

CHIGNECTO CANAL

Question No. 66—**Mr. Murphy (Westmorland):**

1. With respect to the feasibility of the Chignecto canal to link the bay of Fundy with Northumberland strait, what investigation is being carried on in this connection?
2. What persons are carrying out the complete investigation?
3. What persons are engaged in investigating (a) the estimated cost of the project; (b) the other economic factors involved?
4. When is it expected that the investigation will be completed?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

1, 2, 3 and 4. A series of economic studies regarding transportation problems in the Atlantic provinces are being carried out by officials of the economic branch of the Department of Transport, in consultation with and under the general supervision of an interdepartmental committee composed of senior officials from the various departments interested in this over-all project.

Included in the problems to be studied is the Chignecto canal proposal, but because of limitation of staff it has not yet been found possible to carry forward any intensive investigation of this particular item. When it is reached, of course, full attention will be given to the question of obtaining proper advice, engineering and technical views.

NEWCASTLE-CHATHAM, N.B.—TELEVISION RECEPTION

Question No. 106—**Mr. McWilliam:**

1. Have representations been received from the municipality of Northumberland, New Brunswick, and/or the towns of Chatham and Newcastle, New Brunswick, or other public body, requesting the erection of a T.V. satellite station in the Newcastle-Chatham area of the province of New Brunswick?
2. If so, what is being done with a view to improving T.V. reception in this area?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

1. No.

2. See answer to No. 1.

WINDSOR, ONTARIO, AIRPORT RESTAURANT

Question No. 110—**Mr. Martin (Essex East):**

1. Have tenders been called for the operation of a restaurant at Windsor airport?
2. If so, has a contract been awarded or a concession given for the operation of such a restaurant?
3. What company or individual has been awarded the contract or concession?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

1. Proposals were invited from all interested parties for the operation of a restaurant in the new terminal building at Windsor airport.

2. The offer most favourable to the department was accepted, but the party concerned was compelled on medical grounds to withdraw, and consequently an agreement for the concession was not concluded.

3. The department has now approached the party which made the next most favourable proposal. In the event that this party is not prepared to proceed, new tenders will be invited for the concession.

FOREST FIRE PROTECTION

Question No. 112—**Mr. Lesage:**

1. Have any of the provinces signed agreements with the federal government for forest fire protection?
2. If so, what provinces and what is the date of each agreement?

Questions

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Yes.

2. Newfoundland, August 9, 1957; Prince Edward Island, June 26, 1957; Nova Scotia, August 21, 1957; New Brunswick, June 13, 1957; Ontario, June 20, 1957; Manitoba, June 12, 1957; Saskatchewan, June 21, 1957; Alberta, June 11, 1957; British Columbia, June 17, 1957.

UNEMPLOYMENT STATISTICS

Question No. 120—**Mr. Kirk:**

1. At the present time what is the total number of unemployed registered at the offices of the national employment service (a) in Canada; (b) in each of the provinces; (c) at each office of the national employment service in Nova Scotia; (d) in each national employment service office in Nova Scotia with respect to (i) manufacturing industries; (ii) miscellaneous industries; (iii) primary industries?

2. What were the figures for each of the above on the comparative date in 1956?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. The numbers of persons registered for employment at offices of the national employment service on September 19, 1957, the last date for which data have been published, were as follows:

(a) in Canada, 255,896.

(b) in each of the provinces:

Newfoundland	4,756
Prince Edward Island	971
Nova Scotia	10,213
New Brunswick	10,079
Quebec	69,227
Ontario	108,808
Manitoba	8,295
Saskatchewan	4,085
Alberta	9,413
British Columbia	30,049

(c) in each of the local offices in the province of Nova Scotia:

Amherst	423
Bridgewater	426
Halifax	3,136
Inverness	248
Kentville	716
Liverpool	232
New Glasgow	1,456
Springhill	482
Sydney	1,823
Truro	625
Yarmouth	646

(d) (i), (ii) and (iii): Data are not available with respect to industries.

2. The figures for the comparative date (September 20) in 1956 were as follows:

(a) in Canada, 158,804.

(b) in each of the provinces:

Newfoundland	3,002
Prince Edward Island	713
Nova Scotia	7,146
New Brunswick	6,399
Quebec	43,653
Ontario	68,218
Manitoba	6,402
Saskatchewan	2,972
Alberta	4,646
British Columbia	15,653

(c) in each of the local offices in the province of Nova Scotia:

Amherst	281
Bridgewater	338
Halifax	2,504
Inverness	128
Kentville	483
Liverpool	162
New Glasgow	628
Springhill	127
Sydney	1,787
Truro	353
Yarmouth	355

(d) data are not available with respect to industries.

HECATE STRAIT—DIXON ENTRANCE—APPORTIONMENT OF WATERS

Question No. 131—**Mr. Lesage:**

1. Has the government reached agreement with the government of British Columbia on the stand it should take in negotiating with the United States the apportionment of waters in Hecate strait and Dixon entrance?

2. If not, have there been any discussions with the British Columbia government or officials of the British Columbia government on the subject since June 22, 1957?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1 and 2. There have been no further communications from the government of British Columbia on this subject since the exchange of correspondence between July 9 and October 3, 1956.

GULF OF ST. LAWRENCE—CROWN RIGHTS

Question No. 132—**Mr. Lesage:**

1. Are the waters of the gulf of St. Lawrence Canadian waters?

2. If so, are the seabed and subsoil of the gulf of St. Lawrence the property of the crown (a) in the right of Canada; (b) in the right of Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland; (c) if the answer to (b) is in the affirmative, what part is respectively within each jurisdiction?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. On February 8, 1949, shortly before the union of Newfoundland with Canada, the then prime minister (Mr. St. Laurent) made the following statement (*Hansard*—p. 368):

> We intend to contend, and hope to be able to get acquiescence in the contention that the waters west of Newfoundland constituting the gulf of St. Lawrence shall become an inland sea. We hope that, with Newfoundland as a part of Canadian territory, the gulf of St. Lawrence west of Newfoundland will all become territorial waters of Canada, whereas before there would be only the usual off-shore portion that would thus become part of the territorial waters. Of course that is a matter which is not governed by statutes; it is governed by the comity of nations. It is our intention to assert that position and it is our hope that it will be recognized as a valid contention.

The government sees no reason for departing from the principle enunciated in this statement.

2. According to international law the seabed and subsoil under the territorial sea is vested in the littoral state. The law officers of the crown have advised that the administration and control of the seabed and subsoil of the territorial sea is vested in the crown in right of Canada.

HUDSON BAY—CROWN RIGHTS

Question No. 133—**Mr. Lesage:**

1. Are the waters of Hudson bay Canadian waters?

2. If so, are the seabed and subsoil of Hudson bay the property of the crown (a) in the right of Canada; (b) in the right of Canada, Manitoba, Ontario and Quebec; (c) if the answer to (b) is in the affirmative, what part is respectively within each jurisdiction?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Yes. The waters of Hudson bay are Canadian waters by historic title in accordance with the universally accepted international law doctrine applying to historic bays. Canada regards as inland water all the water west of a line drawn across the entrance to Hudson strait from Button island to Hatton headland on Resolution island.

2. The law officers of the crown have advised that the control and administration of the seabed and subsoil underlying Hudson bay is vested in the crown in right of Canada.

HUDSON STRAIT—CROWN RIGHTS

Question No. 134—**Mr. Lesage:**

1. Are the waters of Hudson strait Canadian waters?

2. If so, are the seabed and subsoil of Hudson strait the property of the crown (a) in the right of Canada; (b) in the right of Canada and the province of Quebec; (c) if the answer to (b) is in the affirmative, what part is respectively within each jurisdiction?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Yes, by historic title.

2. The law officers of the crown have advised that the control and administration of the seabed and subsoil underlying Hudson strait is vested in the crown in right of Canada.

FEDERAL ELECTION COST, 1957

Question No. 142—**Mr. Christian:**

What was the cost of the federal election of June 10, 1957?

Answer by: **Hon. Ellen L. Fairclough (Secretary of State):**

Paid for expenses of election	
(a) to October 31, 1957	$6,931,822
(b) estimated amount yet to be paid	60,000
	$6,991,822

HOUSE OF COMMONS

Friday, November 15, 1957

The house met at eleven o'clock.

UNEMPLOYMENT INSURANCE

TABLING OF ORDER IN COUNCIL RESPECTING BENEFITS TO MARRIED WOMEN

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I beg leave of the house to table copies of order in council P.C.1957-1477 revoking section 161 of the regulations of the Unemployment Insurance Act regarding married women. Perhaps for the information of the house I might make a statement at this time.

I should like to announce that effective November 17 the unemployment insurance commission is revoking its regulation that imposed additional conditions for the receipt of unemployment insurance benefit on certain married women. In other words, as far as unemployment insurance is concerned married women in the labour force will now be on exactly the same footing as all other claimants in the labour force.

Perhaps I should take a minute or two in order to outline the events and reasonings that led to this decision, and I believe I can best begin by noting the special conditions to which married women have been subject.

In effect, the regulation required any woman who claimed benefit within two years after the date of her marriage to have 10 contribution weeks during that period; and further, if she was working at the time of her marriage the 10 contribution weeks had to be made after her first separation from that employment. This special condition purported to show that the claimant had not left the labour market as a consequence of getting married.

There were, of course, exceptions to this rule. The additional condition did not have to be fulfilled if her separation from employment was a consequence of her employer's policy against retaining married women; or if, for instance, she was laid off because of a shortage of work. But in spite of the exceptions quite a number of married women have been affected by this regulation ever since it came into being.

The married women's regulation was introduced in 1950, and it has had a stormy life in the seven years of its existence. As with everything that has overtones of discrimination, it has been a focal point for controversy, and that is perhaps one of the most cogent reasons for abandoning it.

At the time this regulation was introduced it was argued that a goodly number of newly married women, who had ceased to depend entirely on their own earnings, were nevertheless representing themselves as seeking work for the purpose of drawing benefit. I have always felt that this was a highly dangerous argument since it implied that one knew, without possibility of error, what was in another person's mind.

Again, it was suggested that married women were making far more claims in proportion to their numbers than were single women or men. This again was a dangerous argument, since it involved casting the shadow of suspicion on an entire class numbering in the hundreds of thousands because it was felt, although it could not be proved, that there was chicanery on the part of a few.

Since 1950 I know various hon. members have from time to time fulminated against the provisions of this regulation. Perhaps the most persistent and effective champion of the rights of married women in this regard is the Secretary of State, the hon. member for Hamilton West (Mrs. Fairclough). Again, throughout the recent election campaign the Conservative party promised that one of their first acts in office would be the revocation of this regulation.

I think there are two basic reasons why we rejected the arguments of those who were its proponents. First, there is an almost natural repugnance against anything that has the slightest shading of discrimination, even though the motives of those who favour it are of the highest. Second, and perhaps more important, I believe we sensed that those who favoured the married women's regulations were completely ignoring one inexorable fact. That fact was that the working wife or mother was not a temporary product of world war II but was in fact the indication of a new social trend. If married women in the labour force had only been a temporary phenomenon of the war years and the immediate post-war years, in all likelihood this particular problem would long ago have solved itself. But the married woman in the labour force has long since proved herself to be no temporary phenomenon.

From June 1951 to June 1957 the number of married women in the labour force increased from 303,000 to 543,000, a gain of 80 per cent. Some of this increase is due no doubt to older women returning to employment when their children have reached an age when they no longer require their

mother's full time. It is, however, probably safe to assume that the increase is due in the main to the growing extent to which single women, upon becoming married, continue to work. This I think is the new social trend which I noted a few moments ago.

Because of the economic factors that have been at work during these past years more and more women have found it necessary to continue working after marriage in order to maintain a reasonable standard of living. Again, it is likely that many married women continue to work because they enjoy the stimulation of the many contacts afforded by a working day as opposed to the housewifely routine. It is a known fact that nowadays many women take a temporary leave of absence for the purpose of childbirth and resume their normal working routine as soon as satisfactory arrangements are made for the care of the child. This is a pattern that has now won wide acceptance both in industry and in the civil service. And, I might add, it is a pattern that strongly indicates that married women are in the labour force to stay, for as far into the future as one can look.

In view of the undoubted importance and permanence of married women as working women, there is no justification for retaining a regulation which implies that statements made by them as to availability and willingness to work are less reliable than similar statements made by other classes of insured persons. There is no justification for retaining a regulation that forces married women to be treated differently from other groups, such as persons who are on pension from their former employers and seasonal workers. Most of all there is no justification for retaining a regulation that discriminates against those married women who, although unable to meet the additional condition that applies to them, are genuinely in the labour market. I believe that whatever good it may have done is far outweighed by this single effect it has had.

I should like to conclude by noting that each year some 12,000 married women will now be entitled to the protection of unemployment insurance benefit, protection that this regulation has prevented them from receiving. By that I mean 12,000 is the number of married women who were disqualified in the past year by regulation 161. Although this revocation is not retroactive, I would suggest that married women who have been disqualified under this regulation should get in touch with their national employment office to have their claims reviewed. In the event that the review of their claim indicates that the disqualification might be removed, we would wish to have no delay in the implementation of that removal.

[Mr. Starr.]

CRIMINAL LAW

TABLING OF REPORT OF ROYAL COMMISSION ON INSANITY AS A DEFENCE

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I should like to table four copies in English and four in French of the report of the royal commission on the law of insanity as a defence in criminal cases.

CANADIAN VESSEL CONSTRUCTION ASSISTANCE ACT

AMENDMENTS RESPECTING DEDUCTIONS, REASSESSMENTS, DEPOSITS, ETC.

Hon. George H. Hees (Minister of Transport) moved the first reading of Bill No. 72 (from the Senate), to amend the Canadian Vessel Construction Assistance Act.

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

TUNISIA—REPORTED DELIVERY OF ARMS BY U.K. AND U.S.

On the orders of the day:

Right Hon. L. S. St. Laurent (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister a question. Would the Prime Minister care to inform the house whether the Canadian government had any prior information about the intended delivery of arms by the United States and the United Kingdom to Tunisia?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, any information received does not go beyond the general information which has appeared in the press. I should not like to say anything further at this time, and I am sure the hon. gentleman will understand that nothing should be said or done now which might in any way aggravate the situation that now exists. I think the right hon. gentleman, with the experience that has been his over the years, will understand that I should not like to go any further at this time, or to add to the information that appears in the press, or say anything that might in any way result in the present situation not being resolved at the earliest possible date. When information is available that can be given to the house without having the potential danger to which I referred I will certainly give the house the fullest possible information.

Mr. St. Laurent (Quebec East): Then I am right, Mr. Speaker, in assuming from the Prime Minister's reply that there was no prior information of the intention to make these deliveries, and that the press has reported everything that is available? Of course

I was not asking the Prime Minister to comment upon the information that has been supplied through the press.

Mr. Sinclair: The same as Suez; no information.

Mr. Coldwell: Was there prior information given to Canada?

Mr. Diefenbaker: I would not like to say, Mr. Speaker—

Mr. Sinclair: Why not?

Mr. Diefenbaker: —the extent to which Canada received information in anticipation of what actually took place at this time.

Mr. Sinclair: That is no answer.

IMMIGRATION

RESPONSIBILITY FOR ASSISTANCE TO UNEMPLOYED IMMIGRANTS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Acting Minister of Citizenship and Immigration, and I am sincerely seeking information. I trust that his answer will dispel the miasma of ignorance and discontent which exists on this subject at the present time. Will the minister inform the house of the government's policy with respect to emergency assistance to unemployed immigrants and the per diem allowance, provided for such immigrants, other than Hungarians?

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): Mr. Speaker, I thank the hon. gentleman for his courtesy in informing me of his intention to ask this question. I cannot answer it except at some length. I have an answer here, and if it would meet the hon gentleman's wishes and the wish of the house I would be glad to table the answer and ask that it might be printed as a reply to the question just asked in the form of an appendix to *Hansard* of this date.

Mr. Speaker: Is it the wish of the house to accept the suggestion of the Acting Minister of Citizenship and Immigration?

Some hon. Members: Agreed.

[*For answer referred to above, see appendix, pages 1217-18.*]

LIVESTOCK

HOGS—REQUEST FOR IMMEDIATE INCREASE IN FLOOR PRICE

On the orders of the day:

Mr. G. H. Castleden (Yorkton): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. Is the minister aware that the price of hogs to the producer has dropped about 11 cents per pound in the past 10 weeks, and will he take steps, if necessary by order in council, to raise the floor price on hogs immediately until such time as the price support legislation can be passed in this house?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I do not know whether or not the figure of 11 cents a pound which was mentioned by the hon. member is correct. Certainly there has been a varying drop in different parts of the country, but in any event the hon. member is taking the amount of drop from the highest point hogs had reached during the past year or more—

Mr. Castleden: Last autumn.

Mr. Harkness: —to the present time. The matter of a drop in hog prices at this time of year, as the hon. member knows, is traditional and has been a part of the general pattern as far as hog marketings are concerned. This is a matter, of course, to which we are paying very considerable attention, and I trust that the drop in hog prices which has taken place thus far will not be continued.

LABOUR CONDITIONS

STRIKE OF RIVER PILOTS, KINGSTON MARINE DISTRICT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Minister of Transport a question. Has the minister a statement to make in connection with the status of the Montreal-Kingston pilots?

Hon. George H. Hees (Minister of Transport): No, Mr. Speaker, I do not think I can add anything to what has already appeared in the papers. I said in a statement to the press that I had a meeting of some two hours with the pilots on Wednesday afternoon and discussed the matter very thoroughly. I had hoped that we had reached an agreement, and I was extremely disappointed to learn the following morning that we had not.

Hon. George C. Marler (St. Antoine-Westmount): May I ask a supplementary question of the Minister of Transport. Newspapers reported the intention of the department to levy fines on pilots who ceased to carry out their duties. I believe there was also the threat that the pilotage district would be dissolved. Will the minister say whether that threatened action has been taken or is being contemplated?

Mr. Hees: I do not know of any such threat ever having been made by my department.

Inquiries of the Ministry

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, several hon. members have asked questions in regard to the result of the investigation into the breaks on the Trans-Canada pipe line, and I have now a report from the board of transport commissioners to the effect that:

> All of the breaks experienced in our testing program so far have occurred because of a fatigue crack in the parent metal of the pipe, but we have not determined what causes this fatigue nor what limits it to a relatively short length, 2 inches to 18 inches, along the factory weld in the pipe. The pressure within the pipe finally overstresses the remaining metal and the rapid propagation of the pressure wave brought about by that failure results in a tearing and ripping action in the metal itself.

While there has been no determination as to the cause, the board of transport commissioners are advised that the Battelle Memorial Institute, an independent research laboratory, has been hired to make an investigation into the cause of the failure, and the board has not yet received from the company the results of its investigation.

BUSINESS OF THE HOUSE

INQUIRIES AS TO METHOD OF DEALING WITH ESTIMATES

On the orders of the day:

Mr. E. G. Hansell (Macleod): Mr. Speaker, may I direct a question to the Minister of Finance. Since the minister has indicated that a budget will not be brought down this session, will he give the house an assurance that his estimates will be brought in at an early date; and, second, will he give us the assurance that on the first item we shall have the widest possible scope for discussion of financial policy?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the statement which is the prelude to my hon. friend's two questions is not correct. I have made no such statement in this house this session. As to the first of his questions, the estimates of the Department of Finance will be brought before this house at whatever time they can be appropriately reached in the course of the discharge of the business of the session.

As to his second question, I am quite sure the chairman of the committee of supply will permit discussion on any matters that are pertinent to the first item in the estimates of the department.

Mr. Hansell: Mr. Speaker, just a supplementary question to the first part. I said:

> Since the minister has indicated that a budget will not be brought down this session.

[Mr. Hees.]

That was the impression that was left with us. Will the minister say now whether or not a budget will be brought down?

Mr. Fleming: Mr. Speaker, I repeat what I have said I think on two or three occasions this session; that whatever is required under the rules and practice of the house to permit the introduction and dispatch of whatever financial proposals the government chooses to lay before this session of the house will certainly be done.

Mr. Harold E. Winch (Vancouver East): May I ask the Minister of Finance whether it is his intention to refer departmental estimates in toto, or in part, to an estimates committee of this house, in accordance with his own and his colleagues' very strong opinions expressed in the previous session?

Mr. Fleming: Mr. Speaker, no estimates committee has yet been set up, and whether that will be an appropriate way of dealing with the estimates of any department I do not think anyone can yet say. So far as an estimates committee is concerned, what has been said by myself and others on that subject in times past did not apply to the Department of Finance any more than to any other department. It was said by way of observation as to a method of dealing with the estimates of all departments, some at each session.

Mr. Winch: I should like to ask a supplementary question. Perhaps my question should be redirected to the house leader. Can the house leader inform us if an estimates committee is going to be appointed this session?

Hon. Howard C. Green (Minister of Public Works): Well, Mr. Speaker, I am not in a position to make a statement on that at the moment, but I would point this out to the hon. member. We are dealing with estimates which were brought down last spring and considered in part at that time, and there will be new estimates brought in shortly after the new year for the ensuing fiscal year.

Mr. Pickersgill: Is that a promise?

Mr. Martin (Essex East): Is there going to be a new session?

Mr. Green: If members of the house have any desire to finish the business before Christmas it might be very difficult to fit in the work of an estimates committee.

[Later:]

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I should like to address a question to the house leader. Since he has expressed some doubts as to the feasibility of establishing an estimates committee this session, can he

tell the house now whether or not the government has the intention of setting up a special committee to consider the estimates of the Department of National Defence?

Mr. Green: Mr. Speaker, I cannot give the hon. member a statement on that point, although in that case again the remarks I made a few minutes ago would be applicable.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask a supplementary question. Did I understand the house leader correctly when I thought he said a moment ago that new estimates would be brought in early in the new year?

Mr. Green: Mr. Speaker, I meant to say, whether I did or not, that with the commencement of the next session the estimates for 1958-59 would be brought down. Of course it is desirable to get the 1957-58 estimates out of the way in the meantime.

Mr. W. A. Tucker (Rosthern): Mr. Speaker, may I ask a question of the house leader. Is it no longer the opinion of the members who are now members of the government that the efficient and expeditious consideration of the estimates would be facilitated by referring some of them to the estimates committee. I would further like to ask if it is the intention of the government to refer the Department of External Affairs estimates to the external affairs committee.

Mr. Green: Mr. Speaker, in view of the fact that we cannot get into estimates at all until next week, and then there are only four weeks after that before Christmas, my personal opinion is that it would delay matters if estimates were referred to an estimates committee. Also there would not be an opportunity to give them careful consideration. There might be some advantage to the government in doing so, in that these are largely the estimates of the former government, and I am rather surprised that the hon. member is asking that we refer these estimates to the committees.

Mr. Tucker: There is nothing wrong with them.

Mr. Green: With regard to the second part of the question, it is hoped with respect to external affairs estimates that we can arrange for a day fairly soon on which to debate external affairs and then, at the end of the day, refer those particular estimates to the external affairs committee for consideration.

INQUIRY AS TO CONTINUATION OF PRESENT SESSION

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I would like to address a question to the house leader. In view of his repeated statements this morning about the shortness of the period between now and the Christmas recess, can he inform the house what obstacle there is in the way of this session of parliament being continued after the new year?

Hon. Howard C. Green (Minister of Public Works): As the hon. member knows, this session was called to deal with certain legislation which was considered to be very urgent, and to dispose of the estimates of the current fiscal year. We now have only a little over four months remaining—

Some hon. Members: Four weeks.

Mr. Green: —four months remaining in the current fiscal year, and it was never the intention to have a regular session which, as hon. members know, lasts from five to six months. The work of the regular session will have to be done next year. After all, we spent quite a few months here this last spring working on the governmental business of 1957, and I am sure the hon. member who is asking the question would not expect any government to go ahead and try to conduct a full session at the present time under these circumstances.

INQUIRY AS TO PROCEDURE RESPECTING DIVORCE BILLS

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 leader of the house. In view of the references which have been made to the possible length of this session, whether it is to be short or long, and in view of the government's interest in maintaining the dignity and effectiveness of parliament, may I ask if the government has any ideas as to what is to be done this session regarding the many divorce bills which are before parliament?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I fancy that the hon. member for Winnipeg North Centre has a far better idea than I have about what is going to be done about divorce bills this session. I doubt very much whether it will be possible for the government to work out a solution to this problem in the next four weeks.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): I should like to direct a question to the Prime Minister. Does he not feel, as the leader of the new government, that it is extremely important that at the first session of the

house under that new government the nation be given a clear exposition of the financial position and the state of the nation through the customary budget debate?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I appreciate the solicitude of my hon. friend. The answer to the question of whether or not there will be a budget has been given by the Minister of Finance.

Mr. Sinclair: What answer?

Mr. McIlraith: He did not deal with the question.

Mr. Diefenbaker: I seem to remember that over and over again in days past, when the question was asked if and when a budget would be brought down, the answer invariably was that the house would be notified in due course. I am not forgetful either of the fact that—I forget the years—there have been two occasions in any event in recent years when there was no budget. At that time my hon. friend was a member of the house, and I heard no objection raised by him.

Mr. Sinclair: A supplementary question, Mr. Speaker. In view of the vast experience the Prime Minister has in these matters, can he ever recall in Canadian history when a new government facing a new parliament did not bring down a budget during the first session?

Mr. Diefenbaker: I have already referred to the fact that there have been cases in which there has not been a budget, and I suggest that my hon. friend would have the answer to his own question by a simple perusal of *Hansard*.

Mr. Sinclair: Perhaps the Prime Minister did not understand my question, so I will repeat it.

Mr. Speaker: Order. It seems to me that spokesmen on both sides have understood what the other has said—

Some hon. Members: Oh, oh.

Mr. Speaker: —and that the matter is now developing into a debate. If the hon. member for Coast-Capilano has a supplementary question which is not a statement of opinion and does not continue a debate, I will permit it.

Mr. Sinclair: Sir, it was not a supplementary question. The fact is—

Mr. Fleming: It was a speech.

Mr. Sinclair: —that the Prime Minister obviously misunderstood my question. Perhaps I phrased it wrongly. I asked whether he could ever remember a case where a new government at the first session of a new parliament did not present a budget.

Mr. Diefenbaker: Mr. Speaker, I seem to recall that at the session in the fall of 1930, which was called as an emergency session, there was no budget, and that the government had just come into power. I should add that I do appreciate the interest of my hon. friends in the preservation of parliamentary government, for I also seem to remember that in 1948 they introduced taxation by radio.

Mr. Sinclair: Do I understand now that the Prime Minister is, as usual, using the example of R. B. Bennett in the conduct of public affairs?

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Prime Minister a supplementary question. From what the Prime Minister has now said, referring to past history, are we to infer that there will not be a budget at this session, contrary to the indication given to the press by the Minister of Finance in July that there would be one?

An hon. Member: In June.

Mr. Sinclair: June 25.

Mr. Knowles (Winnipeg North Centre): In June or July.

Mr. Diefenbaker: Mr. Speaker, there is to be no inference whatsoever taken from anything I have said. As far as the alleged representation made by the Minister of Finance is concerned, my recollection in that regard is that the Minister of Finance has already stated in this house that the statement in question had not been made by him.

Some hon. Members: Oh, oh.

FINANCE

REQUEST FOR PROVISION OF CREDIT FOR SMALL RETAILERS

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the statement in his speech in the debate on the address in reply to the speech from the throne respecting the plight of retail merchants, would the minister indicate whether it is the intention of the government to bring in legislation this session to make it possible for small retailers to receive financial assistance, as recently requested by the retail merchants of Canada?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I am sorry to say that I did not hear the first part of the hon. member's question. Would he mind repeating it?

Mr. Hahn: In view of the statement in his speech in the debate on the address in reply to the speech from the throne respecting the plight of retail merchants, would the minister indicate whether it is the intention of the government to bring in legislation this session to make it possible for small retailers to receive financial assistance, as recently requested by the retail merchants of Canada?

Mr. Fleming: Mr. Speaker, I did not make any suggestion to indicate that any legislation would be introduced at this session. As a matter of fact, if we do not make faster progress with the business that is already waiting to be dispatched at this session I do not know how far we shall be able to go.

Mr. Sinclair: If the minister would give shorter answers it would be easier.

Mr. Fleming: The hon. member for Coast-Capilano (Mr. Sinclair) has a great time these days larding up the record with his interjections, and the hon. member for Essex East (Mr. Martin) does the same thing. I have been sorry many times that I have not heard their interjections as I went along. I found them on the record afterward—

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Fleming: —and they were very senseless interjections.

Mr. Sinclair: Hold your temper.

Mr. Gauthier (Portneuf): Nobody wants it.

Mr. Speaker: Order. Because the Minister of Finance considers the hon. member for Essex East (Mr. Martin) to be out of order, that does not give him the right to continue out of order. The Minister of Finance has risen to answer a question, not to raise a point of order.

Mr. Fleming: Yes. In the course of answering that question may I point out that I was as usual interrupted by the loquacious hon. member for Coast-Capilano.

Some hon. Members: Order.

Mr. Fleming: But he is not one whom you can expect to observe restraint, or the rules either.

Some hon. Members: Order.

Mr. Fleming: Who is answering the question?

Mr. Sinclair: No one.

Mr. Fleming: There appear to be at least 20 to 25 hon. members opposite who consider that they are in each case the minister of finance and are called upon to answer questions put to the Minister of Finance.

Mr. McIlraith: We would not like to be.

Mr. Fleming: Perhaps my hon. friend will not need to worry about having to make a choice on the subject.

Mr. Sinclair: Don't turn your back to the Speaker. Address the Speaker.

Mr. Fleming: There still seem to be a great many ministers of finance in the chamber, Mr. Speaker.

Mr. Speaker: Order. I suggest to hon. members that if they continue to interrupt I shall consider it sufficient provocation to allow the minister to comment on the remarks made. But I would ask him if he would go ahead with his answer, and I would ask hon. members if they would allow him to answer the question.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I am rising on a question of privilege. As a matter of fact I think the house is being treated with contempt by the government. This morning we have had three examples of perfectly legitimate and proper questions which have been evaded. I think that we are entitled to answers to those questions. I rise to protest at these infractions of the rights and privileges of this parliament.

Mr. Fleming: Then may I suggest to my hon. friend that he address his admonition to hon. gentlemen opposite, who are loudly interrupting and trying to shout down ministers who are endeavouring to answer questions.

Mr. Speaker: Order. I take it that the question of privilege was addressed to the chair.

Mr. Sinclair: And not to the Minister of Finance.

Mr. Speaker: May I say to the hon. member for Rosetown-Biggar that my understanding of the rules and practices relating to oral questions before the orders of the day are called is that no member is entitled to insist on an answer. It is quite within the practice and the rights of whoever is asked a question to take it as notice or to refuse to answer. I therefore cannot entertain as a matter of privilege the objection that has been raised, because I do not think it offends the privileges of the house. It is not that sort of matter. I would ask the Minister of Finance if he would answer the question.

Mr. Fleming: Mr. Speaker, as I was saying to the hon. member, we have received representations from various organizations on this subject. Some of the requests would involve legislation if they were to be acceded

to and others would not. I have already indicated that these various representations are under consideration. Whatever action is taken on them will depend upon various factors. I cannot give a categorical answer to the hon. gentleman at this time as to what may be the outcome of these presentations, or what legislation might be involved if effect were given to them.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—STATEMENT ON INSPECTION OF FIRE HAZARDS ON RESERVES

On the orders of the day:

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): Mr. Speaker, on October 30 the hon. member for Nanaimo (Mr. Cameron) asked me the following question:

> 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?

I want to apologize to the hon. member for the length of time which has elapsed between his question and my reply, but I wanted to get the facts absolutely correctly. I have now received a report from the superintendent of the Cowichan Indian agency in which the Songhees reserve is located, and in which he advises that the fire occurred in a large old building occupied by Mrs. Thomas George at 1441 Craigflower road. Mrs. George was caring for six grandchildren. It is thought that fire started in the stovepipe connecting a cook stove and the chimney. The outbreak was seen by passers-by on the well-travelled highway which passes the house, and four children were brought out of the house with the grandmother. Unfortunately two could not be found in the smoke, and were burned to death. The report continues that the superintendent of the agency went to Victoria immediately and helped the chief make arrangements for rehabilitation of the family, and he wishes to go on record as saying that the chief and council did an excellent job of organizing, and the generosity of friends and neighbours, both Indian and white, was overwhelming.

Now with regard to the allegations in the newspapers, in the Victoria *Times* on Wednesday evening, October 23, there was a leading article which stated in part as follows:

> Chief Beasley criticized the department of Indian affairs for not sending agents to inspect chimneys in the Songhees Indian reserve.
>
> Although not responsible for the area the brigade answered the alarm as a courtesy, he said.
>
> Recently he wrote four letters to the Indian agent at Duncan complaining about the lack of fire inspection.
>
> Chief Beasley claimed he didn't even have the courtesy to reply.

The agency superintendent reports that he interviewed Mr. Beasley that same evening, asking him to produce copies of the letters he alleged had been sent. Chief Beasley claimed that the reporter had made a mistake and denied that he had ever sent as many as four letters, but he maintained that about seven months ago he had written a letter to that office.

The superintendent advises further that on his return to the agency next day he made a careful search of their filing system but could find no trace of any letter from Mr. Beasley, nor could any member of his staff recollect having seen such a letter.

The superintendent has since written to Mr. Beasley asking him for a copy of this letter in order that he might know exactly what was proposed. The superintendent adds that, during the conversation referred to, he asked Mr. Beasley if his fire department would be interested in negotiating an agreement to provide fire protection to the Songhees and Esquimalt reserves, such as are in existence with other fire departments in that agency. Chief Beasley said he would take it up with the officers of the View Royal fire department and let the superintendent know. This conversation has been confirmed in writing by the superintendent, but as at the date of his report he had received no reply.

In answer to the other part of the question with regard to this matter, since 1955 it has been and still is the policy of the department to negotiate, wherever possible, agreements with municipalities for the extension of fire protection to reserves adjacent to municipalities. It appears that no such agreement has been negotiated for this particular reserve, but that matter is under negotiation at the present time.

DOMINION-PROVINCIAL CONFERENCE

REQUEST FOR REPRESENTATIVES OF MUNICIPALITIES TO ATTEND FORTHCOMING MEETING

On the orders of the day:

Mr. Claude Richardson (St. Lawrence-St. George): Mr. Speaker, may I direct a question to the right hon. Prime Minister. I regret that I did not have an opportunity to send him notice of the question.

In view of the strong recommendations made yesterday in the admirable speech of the parliamentary assistant to the Minister of National Defence (Mr. Lambert) for representatives of municipalities to be made an integral part of the conference between the dominion and the provinces, is it the position of the government that at next week's meeting between the dominion and the provinces representatives of the municipalities will be invited to participate?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as I have already stated on previous occasions, the stand taken by the government in so far as the conference which is to take place next week is concerned is that, as the municipalities are the creation of the provinces, any representation by municipalities will be determined by the respective provinces. There has been no change in attitude in that regard.

AIR TRANSPORT

CANADIAN PACIFIC AIRLINES—APPLICATION TO FLY MONTREAL-VANCOUVER ROUTE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the prohibition contained in section 15(2) of the Aeronautics Act against any surface carrier being granted a licence to operate a commercial air service unless it has the approval of the governor in council, how is it possible for Canadian Pacific Airlines to make its application for a licence to fly the Montreal-Vancouver route without prior approval of the government?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the hon. member is quite right in that before a licence can be granted it must receive the approval of the governor in council, but that approval is granted after the application has first been heard before the air transport board. If it is approved by the air transport board it is then submitted to the governor in council for approval.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, then may I ask if this is the course which was followed with respect to previous applications by Canadian Pacific Airlines before the air transport board? Is it not only fair and proper to a company which goes to the expense of making such an application, and is it not fair to the country which is also put to expense, to know in advance whether it is government policy to approve such a licence?

Some hon. Members: Oh, oh.

Mr. Hees: Mr. Speaker, as I said to the hon. member yesterday, in my opinion—and I believe it is the opinion of the government and I think it would be the opinion of the hon. members of this house—it would be completely wrong if the government expressed its views in favour of or against a certain application before it had gone before the air transport board for consideration.

BRIDGES

VICTORIA AND JACQUES CARTIER—PROTEST AGAINST PROPOSED INCREASE IN TOLLS

On the orders of the day:

Mr. Jean Boucher (Chateauguay-Huntingdon-Laprairie): May I direct a question to the hon. Minister of Transport. Has the minister received a telegram from the Laprairie chamber of commerce protesting the proposed increase in tolls by the Victoria and Jacques Cartier bridge authorities, and if so what will be the government's policy on this matter?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I have received such a telegram, and at the present time the question of tolls on these bridges is still under consideration. I am not aware of any proposed increases in these tolls.

GRAIN

WHEAT—DEFICIENCY PAYMENTS TO WESTERN FARMERS

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to ask a question of the Prime Minister arising out of a telegram I received this morning. Has the Prime Minister received any request from western farm organizations or wheat pools asking the government to give serious consideration to the making of deficiency payments to western farmers because of the present price of wheat?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have no recollection that anything of that nature was received this morning. However, I will look into the matter and see whether any message of that kind did come in. I have no information on it.

Inquiries of the Ministry

PUBLIC SERVICE

BRANTFORD, ONT.—STATEMENT ON REQUEST FOR REINSTATEMENT OF DISMISSED EMPLOYEES

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, some days ago the hon. member for Rosetown-Biggar asked me a question concerning Charles Kratzmeir, who had formerly been an employee of the public works department in Brantford, and a day or two later the hon. member for Kent, Ontario, asked a further question.

I have now had an investigation made, and the facts are these. A few days before the election of June 10 two men, Charles Kratzmeir and Ambrose Truman, were hired by the Department of Public Works purely on a party basis and neglecting any question of veterans preference. On election day they took part in the election in support of the former government. Subsequently it was found that Ambrose Truman had served in the merchant navy, although this fact was not brought out at the time he was hired. Mr. Kratzmeir had no war service. Mr. Truman has been continued in his employment and is on the job at the present time. I do not think he lost any time, actually. Mr. Kratzmeir has been replaced by a veteran, who was employed through the national employment service.

Hon. Paul Martin (Essex East): May I ask the Minister of Public Works a supplementary question. Am I correct in saying that the request made by the labour organization in Brantford with regard to one of these men has not been accepted by the minister or the government?

Mr. Green: No request was made to me by any labour organization, but the hon. member for Rosetown-Biggar did mention it when he asked the question. In view of the facts I have stated this man is not being reinstated in employment.

Mr. Martin (Essex East): A further supplementary question. May I ask the minister who recommended the dismissal?

Mr. Green: For one thing, the whole story has been in the press. I understand a great deal of this commotion originated with the Liberal association in Brantford. When an investigation was made the facts were ascertained as I have outlined them, and as minister I am accepting full responsibility for the action which was taken.

Mr. Martin (Essex East): Is it not a fact that the hon. member for Brantford, sitting behind the minister, is the one who recommended the dismissal?

[Mr. Diefenbaker.]

Mr. Green: I received representations from several people in Brantford.

Mr. Martin (Essex East): Can the minister say who made the representations?

Mr. Green: If the hon. member for Essex East really wants me to go into this question of patronage on my estimates I will be delighted to do so, but I would be very much surprised if he stays in the house to take his medicine.

Mr. Martin (Essex East): Mr. Speaker, on a question of privilege, what the minister has just said is surely contrary to the rules of this house. I will tell him—

Some hon. Members: Order.

Mr. Speaker: Order. I agree with the hon. member for Essex East that what the Minister of Public Works said was contrary to the rules of this house, and I trust the hon. member for Essex East will let the matter drop there and not continue it.

Mr. Martin (Essex East): I should be very glad to, Mr. Speaker, but in view of your ruling, for which I am grateful, I would request you to ask the Minister of Public Works to withdraw his rather cheap observation.

Mr. Green: Mr. Speaker, I will be glad to withdraw.

Mr. H. R. Argue (Assiniboia): May I direct a supplementary question to the Minister of Public Works, and before I ask the question I wish to say that I agree with the general position taken by the government. In the light of information received recently which would indicate that veterans preference has not, in some instances, been observed, do I understand from the minister's remarks that veterans preference is still being maintained?

Mr. Green: We try to do our very best to observe the veterans preference at all times.

SHIPPING

NORTH SYDNEY—REPORTED DELAYS IN LOADING OF COAL

On the orders of the day:

Mr. T. G. W. Ashbourne (Grand Falls-White Bay-Labrador): Mr. Speaker, I should like to address a question to the Minister of Mines and Technical Surveys. Will the minister please look into the matter of delays occasioned to vessels loading coal at North Sydney for Newfoundland, and see if these loadings can be expedited?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, I will take the question as notice.

UNITED NATIONS

FAO—REQUEST FOR TABLING OF SPEECH BY MINISTER OF AGRICULTURE

On the orders of the day:

Mr. W. A. Tucker (Rosthern): Mr. Speaker, I should like to ask the Minister of Agriculture whether the speech he made at the FAO meeting in Rome has been made available to hon. members and, if not, whether he would consider tabling it as a sessional paper. I think it would be interesting for us to be able to read the speech and see what stand was taken by the government.

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I should be glad to table a copy of the speech made on that occasion, but unfortunately I have not a copy with me; I did not bring one from Rome. We would have to send over there for it, but if I am able to get a copy I will be glad to table it.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, November 14, 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.

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, if there is to be any budget, which of course I doubt very much, and if there is to be any decrease in taxes, I hope that with regard to income tax the government will respect the family organization of agriculture in the province of Quebec, and will not impose unwonted charges on a system of agriculture which has been the strength of our nation.

I hope the basic exemptions with regard to income tax will be increased from $1,000 to $1,500 for single persons and from $2,000 to $3,000 for married taxpayers, in line with the wish I have expressed more than once on the floor of the house and also in line with promises made by the Prime Minister (Mr. Diefenbaker). Let us hope, too, that the Unemployment Insurance Act will be amended to take into account agricultural problems and, more particularly, to cover agricultural workers. I also hope the qualifying period for unemployment insurance will be reduced.

I take advantage of this opportunity to protest against the new trade policy of the government. The London government knows full well that Canada is incapable of allowing British industry free access to our markets. This would spell the doom of our woollen and cotton mills, of our factories producing shoes, gloves, slippers and other goods, which provide employment to several hundred thousand workers in Canada, several hundred of whom are in my own constituency. At the present time these industries survive only because of the protection afforded by customs tariffs. Free trade, preferential tariffs or anything of the sort would certainly bring about their disappearance. Everyone knows that the cost price of anything made in England is lower than that of goods manufactured in this country, where salaries are higher.

The attitude adopted by the Conservative government since it has come into power with regard to our trade relations with Great Britain has caused unemployment in almost every branch of industry and commerce in this country. At the present time there is unemployment on a scale unknown since the days of the Bennett administration. Mr. Bennett had already tried his economic policies with England, and the only thing they brought our country was a period of intense unemployment and, to Mr. Bennett, a seat in the British House of Lords where he spent the rest of his life. Unless we maintain the Liberal policy of protecting our industries against depreciated currency and low salary countries our Canadian industries will be wiped out and foreign investments in this country will diminish. The best means to increase our exports to the United States is to insist upon the processing of our natural resources here in Canada, as we have already done in the case of pulpwood and as we should do also in the case of iron ore, processing the latter into steel by means of smelters built in Canada. That would facilitate shipping through the St. Lawrence seaway and reduce our trade deficit with the United States.

Representatives of several manufacturing concerns in several industrial sectors have already stated categorically that to accept the British proposal or something similar would be deliberately courting disaster. It would mean the shutting down of several factories and the laying off of many thousands of Canadian workers at a time when owing to a recession in a certain sphere of our economy and to wide scale immigration, unemployment is on the increase. As a result of the high salaries and the standard of living prevailing in this country, in many fields we cannot compete with British industry and the industries of many commonwealth countries. This new trend which is apparently taking place in the trade policy of Canada will likely cause another period of uncertainty in financial circles, which will then hesitate to make further industrial investments as long as the future trends of our trade policy are not definitely set out.

The Prime Minister, who before the election of last June 10 blamed the Liberal government for not standing by England's side in her declaration of war on Egypt, notwithstanding the fact that Great Britain had not consulted Canada, went through his whole electoral campaign stirring up the fanatical feelings of certain imperialists in Canada on this subject. However, the day after the election he did not hesitate to put under the direction of an American the whole of our air defence thus sacrificing our independence; and he did so after a conference with the United States Secretary of State, at which he had meant to speak firmly to the Americans. The only result so far discernible by Canadians is that the Prime Minister of their country has beaten a hasty retreat.

Since the last British garrison left our shores, about a century ago, we have assumed full authority over our armed forces. By this fact Canada has been able at least to direct its own international policy, of which military establishments are but an expression. It is owing to this Canadian independence in military matters that the hon. member for Prince Albert, acting as leader of the opposition, could blame the Canadian government last year for following the policy of the United States in the Suez incident instead of pursuing a policy which should have been, in his opinion, an endorsement of the British operation. That, however, would not only have brought us automatically in the war beside England, but would have unmistakably brought on a third world war, which fortunately we were spared thanks to the firm attitude of Canada's former secretary of state for external affairs, the hon. member for Algoma East (Mr. Pearson), whose gallant efforts in that field have just earned him the award of the Nobel prize for peace, a unique honour since he is the first Canadian to receive this prize for his contribution to world peace. How will Canada be in a position to pursue its own foreign policy if national defence passes to United States command?

I wish to draw another matter to the attention of the government. Here are the comments made by *L'Action Catholique* on Tuesday, September 10, 1957, after Right Hon. Louis St. Laurent had announced his decision to relinquish the Liberal party leadership:

> History will recognize that the Hon. Mr. St. Laurent was a great prime minister. At all times, he has enjoyed the respect and consideration of all Canadians. He had political opponents but no enemy.
>
> Notwithstanding certain attitudes which they would have liked to be different, French Canadians will admit that, under the administration of the Hon. Mr. St. Laurent, the cause of bilingualism in Canada and of our representation in the civil service has improved. His views and actions in such matters have placed his successors in a position from which they cannot back out with impunity.

Has our racial group lost ground since June 10 last as far as its representation and influence are concerned? The following is what I read on that subject in *Le Soleil* of Friday, August 9, 1957:

> It will be the first time in a very long time that the French element is reduced to such a minor role in the administration of our country, which is bad from the simple electoral point of view for the party in power and particularly for Canadian politics.
>
> With two ministers confined to minor assignments the voice of French Canada will hardly be heard. Such a situation is a matter of concern not only for the province of Quebec but for all political observers who have the future of our country at heart. Looking back on history, Mr. Bruce Hutchison, in a recent issue of the *Financial Post*, said that the first condition of success for a Canadian government was to rely on the support of French and English Canada.

As for the criticisms levelled at the government on that score, the new Minister of Justice (Mr. Fulton) said in Montreal that the province of Quebec must elect more Conservative members if it wants more representatives in the Progressive Conservative government. He also emphasized the fact that his leader had chosen three ministers among the eight Conservative members elected in Quebec. He even felt it necessary to add that those three ministers hold very important posts.

The Prime Minister was in the position of a lawyer who must rely on doubtful arguments to defend a very bad case. British Columbia has three representatives in the cabinet, including the Minister of Justice, (Mr. Fulton), and these three departments are still more important than the three assigned to Quebec representatives. Yet British Columbia elected but seven Conservative members, and its population is but one-third of Quebec's population.

It is possible, without violating parliamentary tradition, to choose ministers outside the House of Commons. The Prime Minister, Mr. Speaker, did not hesitate to call on Mr. Sidney Smith of the University of Toronto to make him his Secretary of State for External Affairs. French Canadians, on the other hand, must be satisfied with two ministers, since the Postmaster General (Mr. Hamilton), the third Quebec minister, represents the Anglo-protestant minority, and those two representatives must accept the two least important portfolios of the whole federal administration.

The appointment of the Secretary of State for External Affairs gave the province of Ontario a seventh representative in the cabinet. However, in a speech delivered on television some time after the election the

Solicitor General (Mr. Balcer) told us that the eight elected Conservative members in Quebec were all qualified for ministerial positions, a statement confirmed recently by the Prime Minister in a television broadcast. The Prime Minister argued that we are living in a bilingual country. I can tell him, in this respect, that it is not enough to come to the province of Quebec and read a few words, with the help of a Mona Lisa smile, to convince my fellow citizens of his sincerity, but it is necessary to translate those ideas into facts.

Mr. Balcer: That is not cheap?

Mr. LaCroix: Otherwise the voters of Quebec might take the liberty in 1958 to show the Prime Minister, who calls the tune and attempts to follow the devious and brutal policy of give and take, that Quebec is more than an ordinary province. This it will do by making him feel deeply sorry for playing this little game of hide and seek, even if he keeps playing it until the very eve of the next election.

I would like to avail myself of the opportunity offered by this debate, Mr. Speaker, to ask the government, as I have done on previous occasions for at least 20 years, for a distinctive Canadian flag. There is nothing in the speech from the throne to indicate that the government will agree to solve this Canadian flag problem which has been plaguing us ever since confederation and which, as long as it remains unsolved, will maintain our country in a ridiculous position in the eyes of the world. Yet a solution would be welcome, the matter being more than ever topical.

The time seems ripe for action, Mr. Speaker. Our fellow citizens throughout the country appear ready to make certain concessions. The Toronto *Star* cited a few interesting facts in this connection the other day. For example, the Toronto junior chamber of commerce adopted a resolution indicating in no uncertain terms its wish for the adoption of a national flag containing neither the fleur-de-lis nor the union jack. For a protestant and English-speaking group to have adopted such a resolution without this giving rise to acrimonious debate among its members is certainly proof that the fanaticism of certain people is on the wane. The Toronto *Star* also indicates that a similar resolution has been adopted by the Toronto section of the native sons of Canada.

Consequently, Mr. Speaker, I have prepared an amendment which in every shape and form I would consider to be not a non-confidence motion.

I move, seconded by the hon. member for Pontiac-Timiskaming (Mr. Proudfoot), that the following be added to the address:

> We respectfully urge, however, that Canada should have a distinctive national flag and, in the opinion of this house, Your Most Gracious Majesty's advisers should consider at once the advisability of taking steps to give to this country a truly Canadian flag.

Mr. Pickersgill: Mr. Speaker, on a point of order, is it proper for a motion to be seconded by a member who is not in the house?

Mr. Speaker: Is there a seconder to this motion?

Mr. LaCroix: It has been indicated that the seconder is not in the house. To meet the point of order raised by my hon. friend, the hon. member for Beauce (Mr. Poulin) will second it.

Mr. Speaker: A seconder is necessary before a motion is properly before the house.

Mr. LaCroix: A seconder is indicated. The seconder is the hon. member for Beauce.

(*Translation*):

Mr. Benoit Chabot (Kamouraska): Mr. Speaker, it is with a pleasure not unmixed with emotion, that I now rise to speak on behalf of the constituency of Kamouraska—

Mr. Bonnier: Mr. Speaker, I rise on a point of order.

(*Text*):

Mr. Speaker: Will the hon. member yield the floor to the hon. member for St. Henry (Mr. Bonnier), who is rising on a question of privilege?

(*Translation*):

Mr. Bonnier: Mr. Speaker, when the question was put yesterday evening, the C.C.F. amendment was ready in English only. In view of my very limited knowledge of English, I would have liked to know exactly on what matter the vote was called. Luckily for me, the Leader of the Opposition (Mr. St. Laurent) rose ahead of me, and I followed his example. However, there will be circumstances when the former prime minister will not be here and I would then be among the first to vote on motions which have not been read in my native tongue and which I would not have understood. I do not see why this should be. A man should always know why he votes, just as he should never sign any document without knowing exactly what he is putting his name to.

When the vote was called last evening, I heard several members who I thought were newcomers unfamiliar with the standing orders, shouting "Question! question!"

Among those voices, I heard that of the Minister of Finance (Mr. Fleming) repeating "Question! question!" The hon. minister must have been aware that the amendment is normally read in both English and French and he should have studied French a little longer. It would not have done him any harm.

Mr. Deputy Speaker: Order! I wish to point out to the hon. member for St. Henry (Mr. Bonnier) that it has been the practice in the house to use both languages. However, a member who speaks English exclusively cannot be required to speak French no more than a member who speaks French only can be required to speak English.

It might be preferable that a motion be read in both languages when it is put to a vote, but as there are many experienced members among the Liberal party, I am convinced that the hon. member knew that the C.C.F. party had moved an amendment and that, according to our standing orders, the house had to deal with it last night.

On the other hand, a member is always within his rights if he requests that the motion or amendment be read in his native tongue.

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, with your kind permission, I would like to repeat in French the amendment submitted by me to the house when Mr. Speaker was in the chair.

Mr. Deputy Speaker: I am sorry that I did not understand the hon. member. Would he please repeat what he has just said?

Mr. LaCroix: I would now like to read in French the amendment which I forwarded to the Speaker while he was in the chair, and which was written in English.

We respectfully urge, however, that Canada should have a distinctive national flag and, in the opinion of this house Your Most Gracious Majesty's advisers should consider at once the advisability of taking steps to give to this country a truly Canadian flag.

Mr. Benoit Chabot (Kamouraska): Mr. Speaker, it is with a pleasure not unmixed with emotion that I now rise to speak on behalf of the constituency of Kamouraska. The atmosphere of dignity which befits this house never fails to impress a new member, but the sympathetic welcome of the hon. members, regardless of the party they belong to, is comforting to the newly elected.

As an independent member, allow me to say that the recent visit of our gracious Queen Elizabeth II and of her husband, Prince Philip, greatly warmed the hearts of Canadians, strengthened our convictions and stimulated our efforts to safeguard the prerogatives and rights of each ethnical group in our beautiful country, in a spirit of frank co-operation and sincere understanding.

(Text):

At this time, Mr. Speaker, I should like to congratulate the Prime Minister of Canada on his wonderful success in his victory of June 10. This victory was the result of tenacity and his hard-working spirit. I sincerely hope the whole of Canada will appreciate having him as their Prime Minister, and that his administration will contribute to a better Canada.

I should also like to congratulate the Prime Minister on his choice for the position of Speaker in this new parliament, as well as for his nomination of the hon. member for Labelle (Mr. Courtemanche) as Deputy Speaker. As we know, their duties are of great importance, but due to the fact that these hon. members are competent we are sure they will fulfil those important duties with great diligence, as their undeniably good record will reveal.

As an independent member of the house, I assure the Prime Minister that it will be a pleasure as well as a duty for me to support his government as much as possible and as long as his government presents measures which will contribute to bring peace and happiness in the homes of the Canadian people, and as long as they do not come into conflict with the sacred rights of my province and with the interests of my constituents.

(Translation):

Mr. Speaker, it is with pride and pleasure that I say to this house that the right hon. Leader of the Opposition (Mr. St. Laurent) will go down in history as one of the greatest figures of any country. In my estimation, he is the very personification of frankness and sincerity. Everything about him bespeaks dignity. Through the prestige of his personality, no one will have contributed more to the great cause of national unity. On behalf of my electors, I congratulate him and I thank him.

May I, Mr. Speaker, commend the member for Calgary South (Mr. Smith) who has so eloquently moved the address in reply to the speech from the throne. He shows promise of becoming one of the best speakers in the house. I also congratulate the seconder of the address, my hon. friend from Bonaventure (Mr. Arsenault). His electors will be proud of him and will be glad to be so worthily represented.

Mr. Speaker, several of the bills mentioned in the speech from the throne are bound to improve the lot of many Canadians, and I am glad this is so. However, allow me to endorse the views expressed by my colleagues

who spoke before me about the unstable situation of our agriculture in general. I think the government should give very special consideration to this matter and especially to family farming. The recession of farming across the country in general, is even more deplorable in my constituency, the county of Kamouraska.

Being mostly agricultural, this area is even more threatened than elsewhere. First, in so far as climate is concerned, there are barely five months of summer, and because winter lasts seven months or more, there is a sharp increase in production costs.

The farmers in my constituency live far from the great markets, pay high prices for the transport of their products and cannot afford hired help. Even their sons have to take outside jobs to earn money to pay for clothes, amusements and, of course, education. A supreme effort is urgently needed on the part of the government to establish as soon as possible, on a logical and reasonable basis, a price support on potatoes, and to adjust prices of butter and hogs, to mention Quebec products only.

I hope therefore, Mr. Speaker, that the farmers of Quebec and the lower St. Lawrence will fare better under the new Conservative government. This is what everyone everywhere, from coast to coast, has been hoping since June 10. While Canada is a rich country, in her soil and sub-soil, to the point of arousing the envy of foreign interests, while it is a country that is still young and in full development, I would ask every member in this house why 80 per cent of our Canadian families are unable to secure the goods needed in these times and to provide the necessary education for their many children without going into the red and endangering their economic and family security?

The house spends a goodly part of its time considering representations of all kinds, from every part of the country and from every class of citizens, while the whole world is extolling Canada's wealth. Is it not paradoxical, Mr. Speaker? Where does the trouble lie? Does anyone know? If so, is there any possibility of any real and sincere attempt to correct it?

Fifty years ago, there was a production problem, which was solved by technology and mechanization. Today, the problem is one of distribution and marketing of the goods produced. The new social measures enacted by the government will alleviate to some degree the serious consequences of the present problem, but I am afraid that nothing is going to be done about its basic cause. Governments will increasingly have to face a people suffering from philosophical and spiritual depression as well as from mechanical and materialistic hysteria.

For those two reasons, people will not restrain their greed in the face of so many products of science and progress, which means that the task of our present and future leaders will be extremely difficult. Social security legislation will become more and more necessary to offset less and less adequate wages.

By the force of circumstance, governments are more and more pressed to resort to compensatory legislation, but, Mr. Speaker, I must admit that I am afraid of the effects of paternalistic government side by side with anonymous private enterprise whose ultimate aim is profit. Because technical progress is more rapid than philosophical and educational advance, it creates a dangerous chaotic state in which governments have to be extremely cautious.

The chaos created by an industry progressing at 100 miles an hour, beside an agriculture which is still going at a leisurely 20 miles, will force governments to legislate so as to balance this disproportion. I welcome the announcement in the speech from the throne of legislation tending to improve such conditions.

This gap is even more deplorable in the eastern part of Quebec, because families there mainly depend for their living on agriculture and the lumber industry. Seventy to seventy-five per cent of our young people are leaving the land to go to the city for lack of industrial jobs.

This exodus is a social evil which should be stopped at all costs by stimulating smaller industries and by promoting the development of untapped natural resources. For instance, Mr. Speaker, I want to draw the government's attention to the airport now being built in my county, near Notre Dame du Portage. The hopes of the people and local chambers of commerce in the counties of Kamouraska and Temiscouata are centred on this airport. This landing field is being built with funds voted by the last government and I hope that the present government will pass further legislation to facilitate an early completion of this project. In order to prove its usefulness and significance, I shall quote the words spoken by the hon. Leader of the Opposition at a meeting in St. Pascal during the last election campaign.

I quote:

Stating he was very optimistic about the outcome of the current campaign, Mr. St. Laurent then referred to the construction work which is about to start on the future municipal airport. After describing this project as a substantial and justified improvement for Riviere du Loup, in the field of communications, the prime minister suggested that the Trans-Canada Airlines might include Riviere du Loup as a stopping point of one of its domestic air routes. Adding that our local airport might eventually be used by chartered aircraft, Mr. St. Laurent also revealed the existence of a project to operate a helicopter service between Riviere du Loup and Manoir Richelieu for the speedy transport of travellers and tourists.

The use of this airport would greatly help the economic development of our district, as stated by the former Prime Minister himself.

There has been for some time a great deal of talk about winter shipping on the St. Lawrence, from the gulf to Quebec. This project would help relieve winter unemployment and promote the completion of a dyke in deep water in the county of my hon. friend the member for Temiscouata (Mr. J. P. St. Laurent), at Cacouna. Soundings with regard to this project have been undertaken by experts and it has been found that, because of the action of certain sea currents, the river at this point is, from natural causes, almost always free from ice. The building of the Notre Dame du Portage airfield and of this dyke in deep waters with the help of the government would be beneficial to the economy and industry of our district which is now suffering from an alarming depression.

If completed in the near future, these two projects would help us take advantage of the magnificent development on the north shore, just across the river. Our farmers would be able to dispose of their produce in a natural way, and our workers could travel more easily. Mr. Speaker, that part of Quebec which I represent in this house deserves special consideration from the present government, for this is the first time since confederation, that the constituency of Kamouraska has not been represented by a Liberal member. Having been a Liberal constituency for 90 years, the constituency of Kamouraska has now sent a new face to Ottawa. My constituents have the greatest confidence in their new member. And for that reason I would like to make out a strong case in this house for the need of generous government action with regard to those problems peculiar to my constituency and to my province.

Increased benefits have just been voted to our older citizens, to the blind, the disabled, and the veterans. Moreover, the western farmer will henceforth receive cash advances for his grain. That is all well and good and I congratulate the government, even though the balancing of the budget may suffer thereby. The speech from the throne has forecast substantial increases to the benefit of agriculture in general. The farming population of this country is looking to Ottawa and expecting with greatest confidence the implementation of support prices calculated to increase their security.

I would ask the government not to forget the farmers who produce pulpwood. There are many of them in my constituency. From one year to the next they have no idea what price they will get for their wood. Those producers must be protected by an adequate support price so that they will not remain at the mercy of powerful large companies.

Mr. Speaker, there is a great deal of speculation on the reasons for the great change brought about on June 10, 1957. In my humble opinion, if the present government is a Conservative one, it is because the people have understood that it would be more liberal in its social legislation. On the other hand, if the opposition is now made up of Liberals, it is because it was felt that the Liberals were or wished to be more conservative in intent and in action.

The recent increases voted for the benefit of our older citizens, our blind people, our disabled citizens and our veterans will be such as to bring comfort to thousands of Canadian homes. Should the government do nothing else, it would have proved its usefulness to the country.

We hear much talk in this house about Canadian unity. Unfortunately national unity is often seriously grieved in its heart and soul!

If the very few trouble-makers within both our great races in this country kept silent instead of taking advantage, for political and personal purposes, of certain prejudices as old as our country itself, national unity would fare better and there would be greater understanding between the majority of the citizens of Canada.

Mr. Speaker, one of the greatest dangers which threaten our modern civilization, possibly more than any nuclear weapon, is the licentious use being made of the great propaganda media, namely television, radio and the press, in the name of art, freedom of speech and of the press.

More and more, and for the sake of so-called freedom, the hearts and minds of our young people and even adults are being poisoned by the most disgusting publicity

given to crime, and by the stirring of the basest instincts of human nature through obscene and salacious stories.

It is the duty of the government to keep watch on those propaganda media so that they will not be used for the degradation of our society. Hon. members of this house should adopt the interpretation of the supreme court of the United States as to the precise meaning of the word "obscene", so that our judges may know what to think on this point. If in the name of art and freedom we allow our growing generation to degrade itself, we are aiding and abetting the disorders that will follow as a result of the imbalance of minds and of real values caused by a propaganda which knows no restriction in the detailed exposition of crime and lust.

Mr. Speaker, I regret that the increase of family allowances does not appear in the program for this session. My constituency is part of a section of this country where, according to a recent survey, the ratio of children below fifteen to the number of families is the highest of all Canada.

If family allowances were substantially increased, especially for children of twelve to eighteen years of age, I think it would be a good way to help universities and educational institutions, without encroaching upon constitutional rights. If an allowance of $12 to $15 a month was granted to any school child up to the age of 18, what a fine subsidy to education that would be without encroaching too much upon constitutional rights, especially when we know that education is an essential condition of our economic future. I hope the government intends to increase the family allowances soon.

I urge the government to make our unemployment insurance legislation more flexible so that it may be easier for bush workers to receive unemployment benefits. The government should also revise eligibility requirements for such benefits so that our bush workers will not be forced to accept inconsistent and inhuman working conditions as happens so often.

I would feel remiss in my duty if I concluded those few remarks without supporting my hon. friends who urged the government to equip this house with a system of simultaneous translation.

Finally, Mr. Speaker, with the co-operation of all parties in this house, let us get together to give our country a distinctive Canadian flag, red and white, sealed with a maple leaf, so that every Canadian may salute that flag while singing, each in his own language, the joy, the glory and the expectations of Canada.

When all Canadians are united around the same flag the different elements which make up our beautiful and great country will love and understand one another better and join in the fulfilment of the great destinies which Providence has assigned to them.

(*Text*):

Mr. G. W. McLeod (Okanagan-Revelstoke): Mr. Speaker, like other members of this house I listened with a great deal of pleasure to the speeches made by the mover (Mr. Smith, Calgary South) and the seconder (Mr. Arsenault) of the motion to adopt an address in reply to the speech from the throne. I do believe that the history-making event when that speech was delivered in person by our gracious Queen imbued hon. members and the mover and the seconder with a greater sense of responsibility.

I would go further and say that every member in this house seems to be showing a greater interest in the proceedings, due possibly to the fact that the responsibility for carrying out the program in this house has been placed on his or her shoulders by Her Gracious Majesty. Then again I am satisfied that a very wise choice has been made in the selection of our Speaker and his deputy, and that instead of congratulating those two hon. members I should congratulate this house on having such personable gentlemen in control of its proceedings.

I wanted to thank the Minister of Public Works (Mr. Green) and the Postmaster General (Mr. Hamilton), but they do not happen to be in the house and I do not know whether their parliamentary assistants are present. Today in the city of Vernon a new federal building is being opened, and yesterday at about 5.30 p.m. I received an invitation from the Minister of Public Works and the Postmaster General of Canada requesting the honour of my presence at the official opening of this new building in Vernon on Friday, November 15. Now, Mr. Speaker, while I thank them for this gracious invitation, I wish, though, they might have made some provision for a magic carpet by means of which I could have taken advantage of it.

While I am in such a generous mood, Mr. Speaker, I have some further thanks to offer, and here again the hon. gentleman to whom I offer them is not in the house. I owe the hon. member for Coast-Capilano (Mr. Sinclair) a very heartfelt vote of thanks, and the reason I am in his debt goes back prior to June 10. On May 24 the hon. member in a stumping tour through the interior paid a visit to my riding, and it is reported that

he addressed an audience of about 200 people there. At this meeting, in the usual vein of the former minister of fisheries—a vein which, I would say, goes back and is a hand-down from the days of old partisan politics—he made certain statements which may be of interest to some hon. members of this house. I should like to read a report of those statements which was carried in the Vancouver *Sun* on Saturday, May 25. I shall condense it considerably. The report talks about this meeting at which there was "stirring music and hard words", and speaking of the hard words it says:

These hard words, which brought an audible gasp from the crowd of more than 200, were delivered by Mr. Sinclair against the riding's sitting member, Social Crediter George W. McLeod.

Mr. Sinclair charged the member with doing nothing for his riding. He said the riding has not elected a government member in 46 years—

A pretty good choice on the part of this electorate for 46 years.

—and that of all those members who sat in opposition "the present member is the weakest, most futile member in the house today."

"He may be a good husband and father," Mr. Sinclair said angrily, "but he is a timorous, timid and weak little man who sits in the corner of parliament with the small bloc of Social Crediters."

A little farther down we find the former minister taking a rap not only at me but at other hon. members representing the interior of British Columbia.

Mr. Sinclair said the interior has a man to the north—

I am sure the present Minister of Justice (Mr. Fulton) will listen to these words.

—who "talks points of order"—

Of course that is a throwback to a debate on which I possibly agree with the former minister of fisheries.

An hon. Member: Be careful.

Mr. McLeod:

—a man to the south (Owen Jones, C.C.F. member for Okanagan Boundary) who "babbles socialism"—

Mr. Owen Jones, who is not presently in this house, is nevertheless, I will say, a man who has won the respect not only of his riding but of all hon. members here.

—and the local member who "just collects his pay".

Mr. Speaker, the one thing which amazes me is that after such a description as that I should have the nerve even to go and collect my cheque. But I will say this; that is one thing I have never missed. However, I want to pay the hon. member for Coast-Capilano my respects for having brought me a lot of very good advertising. It said in the paper that there were possibly 200 people at his meeting. My first public meeting, which followed his one week later in Vernon, was attended by close to 700 people; and those 700 people came, possibly, to see for themselves what such a weak, miserable, useless member looked like. Therefore I feel that I owe the hon. member a very great debt in respect of the free advertising he gave me during the electoral campaign.

Mr. Speaker, before I continue with that portion of my remarks which is more pertinent to the speech from the throne, may I call it one o'clock?

Mr. Deputy Speaker: My attention has been called to a printing error which appears on the cover of *Routine Proceedings and Orders of the Day* with respect to the hours of sitting. These hours of sitting should read: 11.00 a.m. to 1.00 p.m. and 2.30 p.m. to 6.00 p.m. instead of 2.30 p.m. to 6.00 p.m. and 8.00 p.m. to 10.00 p.m., as printed.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. McLeod: Mr. Speaker, before lunch I was dealing with certain statements which had been made by the hon. member for Coast-Capilano (Mr. Sinclair) in my riding. During the course of these remarks I drew attention to his statement relative to my neighbour to the south, Mr. Owen L. Jones, the former member for Okanagan Boundary, and I paid a personal tribute to that gentleman. I hope my hon. friends in the C.C.F. ranks across the way did not misunderstand me and attribute those words to the hon. member for Coast-Capilano because that hon. member in speaking of Mr. Jones described him as the man "to the south who babbled socialism."

I wish now to outline some of the problems with which our part of British Columbia is confronted and I am satisfied they are of such broad proportions that they affect the whole economy of Canada in many of its phases. In the first place I would point out that one problem which is developing and causing great concern to the various municipalities in the northern part of the interior is that with respect to future water supplies. It is perhaps rather peculiar to think and talk about a shortage of water in an area where we have such an abundance of lakes and rivers; however, it is not always so easy to bring that water to those points where it will do the most good. For this reason we now have an organization looking to the future when we anticipate a much larger concentration of population at which time additional supplies of water will be required not only for domestic purposes but also for irrigation. I refer to the organization known as the North Okanagan metropolitan

water board. This board is considering the whole problem of finding a suitable supply of water that can be provided to the various municipalities and will give them ample supplies on a gravity basis. Such a source is available. It is going to take a considerable amount of money to complete the exploratory engineering. I understand it will cost a minimum of $80,000.

In thinking of this project I cannot help but recall similar things that have been planned and then brought to completion under the P.F.R.A. regulations in parts of the prairie provinces. For this reason I make the plea, as I have made it yearly and perhaps more often since coming to this house, that we have some such plan of water distribution made available to the people of British Columbia. I would recommend as I have in the past that the word "prairie" be eliminated and that the name of this act with all its benefits—and I maintain that it has many benefits that can be applied to all parts of Canada—be changed to read, "National Farm Rehabilitation Act".

In our part of the interior of British Columbia we require extensions of experimental farm services. I am glad to say that during the past summer there has been some improvement. There has been some worth while extension of the services we have received and I will only continue my plea that this present government look into the program and accelerate the improvements that are being made thereunder.

Another thing about which we have heard a great deal and which has captured the imagination not only of the people of B.C. but of the whole of Canada is the development of power on the Columbia river. No part of British Columbia will benefit more directly from the development of power from that source than will my part of British Columbia and we are directly thinking, of course, of the Mica creek dam. During the past three or four years we have heard much about the problem of downstream benefits.

We had been given to understand that it was a matter of first importance to the late government and that swift action was being taken to secure a speedy settlement of the whole problem of downstream benefits on international rivers. We have not heard anything about any such action recently. In fact, questions put forward to elicit information in this respect have been casually brushed off by the present Minister of Northern Affairs and National Resources (Mr. Hamilton) with the evasive statement that there is nothing to report. We believe this is a matter of urgency and that the economy of the interior of British Columbia and the projected advance in that economy which we are sure could be forthcoming are entirely dependent on the development of power on the Columbia river. We have looked forward with great anticipation to prompt action by the government in solving the problem of downstream benefits. In the past this was given prior consideration but now we are told that before anything can be done we must have the report of the Borden commission.

I would point out that we do not require a Borden commission to convince us of the great benefits that would accrue from the development of this project nor do we require that commission to persuade us of the need of developing it at an early date. Any delay in bringing this matter to the state where work can be proceeded with is nothing less than a blanket, and a wet blanket at that, withholding development of the whole interior of British Columbia.

As was mentioned by the Minister of Transport (Mr. Hees) the other day, we too have an airfield problem in practically every town in the interior, but there is a slightly different point of view from which we may look upon the development of airfields in our area. At the present time the civil defence authorities have designated the interior as a receiving centre in case of trouble or attack on the densely populated coastal areas. If these events should occur and if it becomes necessary to move the hundreds of thousands of people from the coastal areas to the interior, how is it going to be done? We do not have roadways and we receive no assistance from the federal government to provide them. In any case the coming method of quick evacuation and speedy travel is by air making better facilities imperative.

Therefore, I would suggest that this government take a new look at the matter of airfield development. Look at the future prospects of such progress, such development and travel and give the three important areas in my community every consideration. I am referring to the airfield at Ellison which, though in my riding, is maintained and kept up by the city of Kelowna. Nevertheless, this is becoming a great centre, and we hope it will be a great centre in coast-to-coast transportation if and when the Canadian Pacific Air Lines gets a charter to fly to Montreal. At the present time it is planned to make the Ellison field an important stop in the air transportation service between Vancouver and Edmonton.

The city of Vernon has a small field, but a splendid area is available to the north which has been inspected by officials of the Department of Transport and which has been pronounced to be one of the best in the interior of British Columbia. In order for the city to get appropriate rights to the land so that it can be held in reserve for

airport services it is necessary that they should know the over-all national program of this government in regard to the development of civil flying in this part of the country.

We have a field in Revelstoke on which thousands of dollars have been spent locally together with grants from the federal department. In the past couple of years promises have been given that a further $10,000 or $12,000 would be granted in order to complete the runway but, for some reason or other, the powers that be have seen fit to cancel those appropriations just when it seemed we were on the threshold of receiving them.

I cannot let this opportunity pass without referring to unemployment. Here, Mr. Speaker, I must say that I stand 100 per cent behind the remarks made by the hon. member for New Westminster (Mr. Hahn) in the house the other day. We are not talking blue ruin; we have no fear complex because we know that with proper government policies, financial and fiscal, the problems that are facing the country at the present time can be solved. All that we are asking is that the government give serious consideration to those problems as they arise. I do believe that the present Minister of Labour (Mr. Starr) is doing the best within his power but I tell you, Mr. Speaker, that he is not the one who is responsible for unemployment. He is the minister who, under the unemployment insurance service and under the employment service, provides perhaps some measure of alleviation but he has nothing whatever to do with unemployment. The department of government that has more to do with unemployment is the Department of Public Works, which announces that public spending is being cut; that public buildings are being shelved in general. I maintain that in a time like this when we have unemployment the government, instead of talking retrenchment, instead of talking economy, instead of holding up the public works program, should be accelerating them and should be spending more money into circulation.

I hold in my hand the October 28 issue of the Vernon *News*, which contains this headline:

> Unemployment Up In City
> Doubles Over 1956

Official figures from the national employment service indicate that unemployment has more than doubled. The article goes on to say:

> Number of unemployed persons registered at the national employment service is 2.6 times higher in October this year than over the same month in 1956.

I am not quoting these figures because I am afraid, Mr. Speaker, or because I want to create a feeling of fear and pessimism, since I have every confidence in the future of British Columbia and in the economy of British Columbia, provided that the present government will take the proper steps to give it a chance to progress and to develop.

The other day we had a very clear analysis of another problem that is developing in the province of British Columbia and which will contribute to the unemployment situation. That analysis was made by the hon. member for Coast-Capilano (Mr. Sinclair) and I should like to congratulate him on the clear and forthright manner in which the problem was presented to the house. I am going to back him up, Mr. Speaker, and ask this government, in the face of this serious threat of 800 more people being added to the rolls of the unemployed, a problem which is becoming increasingly greater across Canada, what they intend to do about it? Do they intend to sit idly by and say, we are doing everything possible? I am going to tell you, Mr. Speaker, that this is one thing that requires and demands the attention of the government before the whole unemployment problem in British Columbia is aggravated by an additional 800 men. In this respect we were shown how it would actually save this government money by subsidizing or paying the necessary amount of money to keep the mine in operation.

Now, Mr. Speaker, I should like to take you back for a few moments to the campaign which preceded the election of June 10. At that time most Canadians were beginning to feel the pinch and the effects of the tight money policy. This tight money policy, as was said in the house the other day, was hitting them where it hurt. Rightly or wrongly the people of Canada believed that the tight money policy was responsible in large measure for the increase in the cost of living. They believe it is responsible for the slow-down in municipal projects; it is responsible for higher taxes in municipal and school districts, owing to the high cost of borrowing and the high interest rates on money which they require to borrow. It is responsible for the slow-down in basic industries, especially the lumber industry in British Columbia, which has shrunk by more than 30 per cent in gross income during the past year. It has brought about difficult employment conditions and a tightening of credit that has made it impossible for the small businessman and the small farmer to secure the necessary funds to carry on.

All opposition parties, including the great Conservative party, played this up during the last campaign but none of us gave it more attention than did the Conservatives. I am going to tell you, Mr. Speaker, that

the Conservatives made pledges which will never be forgotten. They said that if they were returned and placed in office they would take immediate steps to alleviate the tight money situation. The people of Canada have not forgotten that pledge.

I would like to ask you, Mr. Speaker, what has this government actually done? Minister after minister has risen in his place and said that the government has taken all necessary steps but I should like them to name one thing that this government has done as a government. It is true that there has been a lowering of the interest rate, but was that the result of government action? Or was it the natural action of the Bank of Canada? This is something I should like to hear explained. The Conservative party now in power condemned the Bank of Canada just as loudly as the rest of us and also condemned the previous government for allowing themselves to be placed in a position where they were dominated by the Bank of Canada.

But again I ask, what is the change? I should like to have seen, and I think the people of Canada would like to have seen, some action by the Minister of Finance (Mr. Fleming) and the government whereby they would stand up to the Bank of Canada and say: Here is government policy, and this is what we want to see made effective in Canada. Instead, what do we learn? We learn that there is no difference of opinion between the Minister of Finance and the governor of the Bank of Canada.

Another trump card of the Conservative party during the campaign was the question of the supremacy of parliament. Far too many promises were made, promises which the government is finding it quite hard to live up to. They promised that the tight money policy would be alleviated at once. They promised that the supremacy of parliament would be restored and that the rights of members would be protected. I am just going to refer briefly to what I think about the whole question of the supremacy of parliament. I make the broad statement that never in my experience has there been so much flouting of the rights of private members as there has been during the past month. I have never seen such evasion on the part of ministers and very seldom have I seen a prime minister go out and make speeches on policy and proposed policy of the government before presenting such policies to parliament, which should be first to learn of all matters of legislation.

I see that my time is growing short, Mr. Speaker. I should have liked to go considerably further in discussing the matter of parliamentary supremacy because I know there is much that could be said. However, I shall analyse the situation a little further. What were the people looking for when they voted as they did on June 10? I maintain that the electors of Canada were looking for an alternative. What did they get? What alternative has the government offered in any policy they are considering at the present time? I simply ask that question, and I know that the people of Canada are asking that question, too.

In what way are the policies of the present government different from the policies of the government which the people of Canada rejected in the hope of finding an alternative? I could go on and elaborate but I will simply take a couple of items that are or have been on the order paper. I am very glad to see that there is a resolution extending assistance to the agriculturists of Canada. I think everyone knows that legislation in that respect is long overdue and is one of the most important things required in this country. But what about the price support program? In what way is it an alternative to the program which the Liberals have had for a good many years? The government says that it is going to be enlarged and broadened, but the same policies are going to be in effect. Is that an alternative? Is it anything different from what was offered before?

Reference can be made to the legislation passed by the house dealing with welfare. Is it an alternative? Is there any different approach? I say to hon. members that it is the same approach. We are not satisfied with the alternative for which the people of Canada voted and what they hoped to get last June 10. We also read about trade. I was greatly encouraged by statements of the Prime Minister (Mr. Diefenbaker) that commonwealth and British trade were going to be increased. There was a lot of talk about it. I like many other Canadians looked hopefully to the government. What happened? The minute that Britain said to Canada, all right, Canada, if you want to trade with Britain we are prepared to go the whole way and give you every opportunity to trade with us. What happened? Immediately the government started back-pedalling. In effect they said to the people of Canada, and to England, we did not mean all this about trade with Britain; we were just talking so do not take it too seriously. That is the way that the people of Canada size up the situation.

I find, Mr. Speaker, that I have only one minute left. I have an announcement that I should like to make. Today we shall be taking the main vote on the motion before us and I should like to read to the house a statement endorsed by the Social Credit members.

In regard to our stand on the main motion the leader of this group pointed out that in order to solve our economic problems it will be necessary to bring about certain reforms in the existing financial system. We moved an amendment to that effect which was defeated. We are still of the same opinion. However, we believe that the government should be given an opportunity to show what it can do in dealing with the problems of the nation as outlined in the speech from the throne. We will therefore, Mr. Speaker, support the main motion when the vote comes later today.

Mr. J. R. Taylor (Vancouver-Burrard): Mr. Speaker, it is with humility that I rise in my place for the first time in this distinguished house to continue the debate on the address in reply to the speech from the throne. You will recall, sir, that the Prime Minister (Mr. Diefenbaker) honoured a westerner to move the address in reply to the speech from the throne. He delivered a most fitting address and referred, as was natural, to his illustrious father who passed away some time ago. Later in the debate my colleague, the hon. member for Parkdale (Mr. Maloney), spoke about his father who likewise served so well in the house but who did not live to see his son honoured in this parliament.

Fortunately, my father is living and has been observing his son carry on his parliamentary duties. While in Ottawa dad was interviewed on television about his hockey career and I gave him moral support. Today he is in my rooting section and I feel he will get as great a thrill out of these proceedings as he ever got out of the alleged back-handed goal scored over 40 years ago in this very city.

There is another person whom I should like to see in the gallery of the house. I refer to the mother of the Prime Minister. It is my understanding, sir, that she is the only mother in Canadian history who ever saw her son become prime minister of this country. Perhaps in the near future she can be present to see her famous son lead the government.

I appreciate this honour and opportunity of speaking in this august chamber and the privilege of representing the constituency of Vancouver-Burrard. I think it is the usual custom to offer congratulations to you, Mr. Speaker, upon your appointment to high office. I did not know until the hon. member for Calgary South (Mr. Smith) pointed it out that you were born in Red Deer, Alberta. Long before I came to know the name of Roland Michener, I knew well Michener hill which is on the outskirts of Red Deer. The hill is as prominent to the citizens of Red Deer as Mr. Speaker will be to this house. In congratulating you, sir, I should like to congratulate others. When I think of the physical disabilities of the Gentleman Usher of the Black Rod and of how he has overcome them, which was obvious during the opening of parliament, I must say that he deserves special commendation.

I will never forget the opening of parliament in October, 1957 as the majesty of it all unfolded itself before our very eyes. I am sure that when I get back to Vancouver many of my constituents will want my personal observations on the activities in the house. My report, sir, will be in most glowing terms. I personally appreciate the fact that the Prime Minister took time to refer in such a fitting way to the late Dr. Blair who died a few days after the recent election. His remarks were followed by those of the Leader of the Opposition (Mr. St. Laurent) and in turn by those of other hon. members. This served notice upon the newcomers that if you serve well in this house, all will remember you in such a nice manner.

I was glad to see the Prime Minister pay personal tribute to another member, namely the hon. member for Algoma East (Mr. Pearson) upon his winning the Nobel peace prize. You will recall, sir, that the Prime Minister crossed the floor of the house, shook hands first with the Leader of the Opposition and then turned to his left and shook hands vigorously with the hon. member for Algoma East. That is what newcomers wanted to see, namely a great leader paying tribute in such a nice manner for work well done. Sometimes I think that the Prime Minister has a heart bigger than himself. Probably it is because of that that the nation decided to "follow John" in the last election.

I want to report to my constituents about the fitting and kind remarks made by my Prime Minister concerning the retirement as leader of the hon. member for Quebec East. My constituents have great respect for the Leader of the Opposition. I have always looked forward to hearing him speak. His decorum and deportment set a mark for us all to attain. We Canadians have been so fortunate in having leaders like the Prime Minister and the Leader of the Opposition. While I am not of the same political faith as the latter, I have always joined in the thunderous applause that attends his appearance at meetings of the Canadian Bar Association and other such meetings.

Before commenting on the speech from the throne, may I also refer to my predecessor, Dr. MacDougall, who represented my constituency of Vancouver-Burrard and who passed away in this house prior to the last election. I never knew him personally but everywhere

I go in this house people who knew him have a kind word for him. If I can be remembered as he was I shall feel that my service here in this house was not in vain.

Before the election I received from one of my constituents a poem which reads as follows:

To "follow John" I'm not content
Until I find which way he went.

After the election there was a further poem:

Now having boldly followed John
And made our wishes clear,
This is the thought we dwell upon—
Where do we go from here?

Upon reading the speech from the throne, the nation knows which way John went and which way he goes from here. Members of the opposition say that he has not kept faith with the electorate. I suggest, sir, that the Prime Minister has kept faith. Undoubtedly the opposition policy this session will be "irritation without challenge".

I should like to refer to an article written in the Vancouver *Sun* by Mr. Elmore Philpott, a Liberal, who in the last parliament sat but a few seats from mine. Mr. Philpott wrote:

The 1957 speech from the throne is an historic document for several reasons. But the one which means most to the people of Canada is that the Conservatives have spectacularly kept their main election promises.

Prime Minister Diefenbaker has not only itemized the main points on which he was morally bound to take action at this session, but he also outlined intended action in several other matters which might well have been postponed for the future without giving justification for this cry of bad faith.

The whole country, regardless of party preference, should be delighted to see this proof that the old party of Sir John A. Macdonald has thus demonstrated that its official title of "Progressive" Conservatives has taken on new meaning for the whole Canadian nation.

Mr. Frank Bernard, a member of the Vancouver board of trade and, I suggest, a man who represents the feeling of most British Columbia businessmen, is delighted that the Prime Minister has seen fit to strike a royal commission to inquire into important industrial matters relating to power. The appointment of Mr. Leon Ladner of British Columbia, lawyer and industrialist, is most appropriate.

Senior citizens in my riding, like Mrs. Emilie Campbell, welcome the relief in higher old age pensions.

Citizens throughout my riding will be gratified that action is to be taken concerning power on the Columbia river.

The speech from the throne had hardly been concluded before the Prime Minister added two new planks to his sessional legislative program. One dealt with federal subsidies on shipments of maritime coal destined for power generation on the east coast. The aim was cheaper power to attract industry to that area. The other was abolition of the debate-limiting Commons closure rule; and tomorrow the Prime Minister will add further planks to his program. As one rookie M. P. jokingly said to me: "Brother, watch John; you ain't seen nothin' yet!".

Many of the problems which exist in my constituency are common to all. Many of the hon. members who have spoken have made reference to them and I do not intend to repeat what they have said. However, I wish to add a comment about reforms in the immigration set-up. I feel that there is a need to review and amend the act, the regulations and the administration thereof. Time does not allow me to discuss all the suggestions I have in mind but may I suggest one. Immigration appeals should be heard by an immigration appeal board, and not by the minister. For a generation now persons having immigration problems have approached the immigration minister. Often these people are represented by members of this house, and far too often the cases in the past were disposed of after some informal and injudicious hearing, tinged often with partisan feelings.

If a proper administrative set-up is provided for the hearing of immigration cases, no member would again find himself importuned to interpose in administrative rulings. An applicant for admission should be able to test his admissibility under a proper administration set-up. If he does not qualify he is excluded; if he does qualify he is to be admitted. If then, there are persons who have been excluded but whose cases involve unusual and compelling circumstances a private bill should be applied for. In applying for a private bill all members of the house would know who was applying and what were the special circumstances. Open and fair hearings together with publication of immigration decisions would revolutionize the present set-up.

Before leaving this subject may I suggest that careful consideration be given to the many recommendations passed by the Canadian Bar Association dealing with immigration practices and procedures. Much praise is due to John McDonald, an Ottawa lawyer, who worked tirelessly to bring about these recommendations. He championed a cause which he conscientiously felt was right and it is to be hoped that it will not be long before the suggestions of his committee will be incorporated into the immigration laws of this country.

The Minister of National Revenue (Mr. Nowlan) is considering many problems relating to television. I feel that we have a unique situation in Vancouver; the government has granted one television outlet in this area of over one-half million people. If you do not want to watch this station, then the alternative stations are all United States stations. Within television range are five United States channels or stations which send out splendid programs to the large audience in my area. The learned Mr. Fowler felt that there was a danger of Canadians becoming engulfed by United States television. We in Vancouver were engulfed long ago and the situation at this time, I suggest, could hardly be worse. To partially correct the situation in my area I would suggest that additional Canadian private stations be permitted to operate at the earliest possible date.

The financial statement of the Canadian Broadcasting Corporation for the year ending March 1957 is a story of deficit and debt. The fact that a government agency fails to show a profit should not evoke surprise; other government departments and agencies cost the public large sums of money. It costs money to run the armed forces, the police force, the customs and postal departments; the only difference is that these undertakings come under the heading of public utilities whereas broadcasting, like newspaper publishing, is quite able to subsist, and subsist usefully, under a system of private enterprise with no drain on the public treasury.

I suggest that wherever private enterprise can do the job and do it well the government should not be in that field. I personally like the C.B.C. station in Vancouver; there is much to commend it, but when I realize that under private enterprise I would get pretty well the same, if not better programs at no expense whatsoever, to me, then I have serious misgivings about the continuing interference of the government in this field.

I believe there is a useful function to be performed by a publicly-owned broadcasting system in assisting such things as educational programs. The government can also assist with respect to the broadcasting of serious music and the drama which has an appeal, admittedly, too limited to justify broadcasting commercially. However, none of these functions require the operation of a broadcasting machine running several radio and television networks, with 30 of its own stations, and employing 6,000 people at a cost to the country of nearly $40 million per year.

Then there is another matter which I would like to mention. The last links in the trans-Canada highway between Golden, British Columbia and Banff are being built and the highway through the mountainous territory is expected to be completed next fall. I suggest that real assistance be given to the provinces in the establishment of all kinds of tourist facilities including outdoor camping grounds, certainly in this area, and probably coast to coast on the trans-Canada highway.

Investment by the senior government in this field is investment in something which is definitely Canadian. There is no danger of engulfment here as there is in television; there is no danger of competition. Investment here will, I suggest, bring far greater rewards than in the field of television. Investment in our parks, the finest in the world, will bring about lasting rewards. Public investment in television will, in my opinion, not attain that end.

Having referred to the national highways and to the question of tourists, may I suggest that the federal government give consideration to classifying the tourist trade as an industry so that operators may borrow from the industrial development bank. On the one hand the tourist trade is acknowledged as the third largest industry in Canada but, on the other hand, no adequate recognition is given so that resort operators can borrow from approved sources. Because the tourist dollar is so important to Canada all possible assistance should be given to the resort and hotel operators.

Now may I refer to one thing which has upset the friendliness and amiability of the house. I refer to the bitter address of the hon. member for Laurier (Mr. Chevrier). I was sorry to hear his speech about alleged racial and religious differences. He accused the party of Sir John A. Macdonald of all sorts of things. To a westerner this is upsetting and I feel that I can speak for all newcomers in the house in hoping that such bitterness will not be continued.

If I was disheartened by what the hon. member for Laurier said I was delighted by the activity of another French Canadian. A few Saturdays ago my wife and I went to Montreal where we saw the hockey game between Chicago and Montreal. We saw Maurice "the Rocket" Richard, score his 500th goal in a blaze of glory.

An hon. Member: You were lucky.

Mr. Taylor: We rose with the 15,000 people, French and English Canadians, to cheer the wonderful Rocket. There was no disunity there. Nor was there throughout the sporting fraternity of the nation on that night.

Everyone loves to visit the grand province of Quebec; it has a charm all its own and the friendliness of its people adds a cubit to

Canada's stature. What French and English have in common as Canadians is far more than the differences which divide them. With so much to be done, let us get on with the job and forget our minor differences.

In conclusion I would like to remind hon. members that engraved in stone over the main door of this building are the words:

> The wholesome sea is at her gates;
> Her gates both east and west.

Keep your eyes, Mr. Speaker, on the western gates. There is in that area the fastest industrial growth in all Canada. In the past 15 years the population of British Columbia has grown 71 per cent, compared with a national average of 35 per cent and business has been keeping pace with that expansion.

Mr. Speaker, October and November of 1957 have been thrilling months for me. I saw Her Majesty open Canada's parliament for the first time; I made my first appearance in the Supreme Court of Canada, and I have made my first speech in the house. I will always be grateful to the people of Vancouver-Burrard for making all this possible.

Hon. Paul Martin (Essex East): Mr. Speaker, I am sure we are all very grateful to Her Majesty the Queen for having come to Canada to take part in the opening proceedings of this session of parliament by reading in person the address which is now under debate.

I should like, in accordance with custom and because of my long relationship with him, to extend to Mr. Speaker, as other hon. members have done, my sincere congratulations upon his having been selected by all hon. members of this house to act as their Speaker. When the Prime Minister (Mr. Diefenbaker) proposed Mr. Speaker's name to hon. members he referred to the reply which the *Times* newspaper made to Lord Palmerston who had inquired what were the necessary qualities of a person who was to occupy the chair as Speaker at Westminster. The *Times* replied: "Imperturbability, good temper, tact, urbanity, and, if possible, a training in the law." I think we have all recognized after four weeks that the Speaker has other qualities, too, and that pre-eminent among these is the quality of fairness and impartiality.

I should like to offer my congratulations also to the hon. member for Calgary South (Mr. Smith) for his excellent maiden speech when he proposed the motion that is before us. Those of us who were members here at the same time as his father could not help but feel that he not only did honour to himself but to his father's name. It must have been a matter of deep satisfaction to his mother who sat in the gallery that day to realize that her son had begun his public life, in this house, under such happy and successful circumstances.

(Translation):

To the hon. member for Bonaventure I also offer my sincere congratulations, not for what he said but rather for the ease with which he said it.

(Text):

Today I propose to deal with certain observations made last night by the Minister of Finance (Mr. Fleming). I will not attempt to cover all he said, because he did traverse quite a wide field. I want to deal mainly with that portion of his speech which took up least time to say but which, I should have thought, would have comprised the major portion of his contribution to our deliberations. I refer to the proposals made by the Prime Minister and those of Her Majesty's government in the United Kingdom in the matter of trading relations between these two nations. But the hon. gentleman in that careful, moderate manner of his, began by saying that the problems of the government were considerable, largely because of the inheritance from the administration directed by the right hon. gentleman who now leads the opposition. And he listed these inheritances in detail.

I will simply say by way of reply that no government, certainly in this day of complex arrangements, can hope to be free of important problems of a domestic and international character covering all aspects of the life of the nation or of the world. No manipulation of words by the Minister of Finance can alter the fact that when the present government took office late in June it did so as the government of a country whose prosperity was never higher, whose prospects were never brighter, whose prestige was never so great among the nations of the world. And so, if in the meantime, certain economic disquietudes have arisen, no one with a sense of fairness will argue that this administration, in office for five months, is responsible for this particular uneasiness in its entirety. But I think we have the right, and indeed, the duty, just as did the Prime Minister when he sat on this side of the house, to charge the government in relation to the disturbing situation now confronting us. No amount of palliation will or can overlook the fact that at the present time whatever may be the cause there are disturbing economic factors—how fundamental I do not know—which affect the material well-being of many hundreds of thousands of people in our country.

In agriculture, low prices; in our industrial life, much unemployment; these are factors which not only the government but all of us have to consider, and it is therefore of the greatest importance that we should give serious consideration to an analysis of the policies of the government in respect of a matter which fundamentally, has occasioned much uncertainty and which in the course of the next few months could have a definite bearing on the economic progress of Canada and a great effect on the level of employment in our country. So many people in their economic lives are affected by the policies of any government in the matter of its trading relations with other countries.

This government has made much of its trading policies. Indeed, during the course of the election and long before in this house the Minister of Finance in particular spoke of the desirability of promoting a greater measure of commonwealth trade as a means of stimulating the lifeblood of our economy. Last night, looking toward those of us who sit on your left, Mr. Speaker, he said: "The fact is that hon. gentlemen opposite do not like the commonwealth." I venture to suggest to my hon. friend, my classmate whom I have known longer perhaps than anyone in this house that a common appreciation of the great purposes of the commonwealth of nations is not promoted in this country by alternately blowing hot and cold in the matter of closer relations between this country and the commonwealth in the economic or other spheres. By its brusque and belittling reaction to a serious proposal put forward by the United Kingdom, this government I submit with respect, has done a grave injury to the commonwealth.

It has shown it is willing to exploit the kindly sentiments most Canadians feel for the United Kingdom and for other commonwealth countries like Ceylon, India and Pakistan, let alone the countries of Australasia but unwilling nevertheless to take the most elementary steps towards giving practical expression to those sentiments when an element of political risk to itself or financial injury to some of its supporters appears.

Now, the Prime Minister said during the recent election that one of his aims would be the holding of a commonwealth economic and trade conference. And because of arrangements made by the present Leader of the Opposition (Mr. St. Laurent) the present Prime Minister shortly after the election with the good will of all Canadians went to Great Britain for the purpose of participating at his first conference of prime ministers of the commonwealth.

If we can gather an accurate impression from the press both in the United Kingdom and Canada his presence and vigourous approach in this particular matter seems to have captivated public attention in the United Kingdom, but one of the most amazing things it seems to me is that a careful perusal of the communique issued after the prime ministers conference makes no reference whatsoever to a proposal by the Prime Minister of Canada for an economic and trade conference with the commonwealth countries. Could it be that the prime minister of Australia, the prime minister of Great Britain, the prime ministers of Ceylon and of Pakistan and India wanted to make sure what kind of conference it was going to be? Perhaps they bore in mind the words of Sir Robert Borden that there is nothing wrong with a conference except that conferences seldom produce good results unless the parties conferring each know what they want to achieve and there is some measure of agreement in advance on the objective. I think that is a very important consideration particularly for Canada at the present time.

What is the position of other countries vis-a-vis Canada? We were reminded the other day by Mr. Macmillan in the statement he made at the Guild Hall that what Britain wanted was capital assistance. Likewise those of us who have had any experience in government know—as I am sure is the case with the Minister of Trade and Commerce (Mr. Churchill) and the Minister without Portfolio from Newfoundland (Mr. Browne) who has just returned from Asia—that the great need of the Asian members of the commonwealth is for capital assistance, capital aid in carrying out their projects. Are we going to be able to meet that objective when this conference takes place? Are we going to be able to offer to these countries the kind of assistance which in so far as they are concerned is the motive, the reason, the *raison d'être,* for an economic trade conference with commonwealth countries?

We all remember there was another conference held in this very chamber in 1932, the imperial economic conference convened at the suggestion of the then prime minister of Canada, the late Lord Bennett. With regard to that particular conference it is debatable even now whether it contributed much to the unity of the commonwealth itself and there is little doubt as to whether it did not contribute to a deterioration in the relations between many nations of the world. But it can be said for the late Lord Bennett that when he invited other governments to a conference he had something for them to confer about.

It would be extremely interesting to know whether or not before he went to the prime ministers conference the Prime Minister of Canada had forewarned the commonwealth countries in the usual and customary diplomatic way of the kind of proposal which he intended to put forward at that conference. There could be no objection, indeed there is everything to be gained by commonwealth statesmen meeting from time to time to discuss common problems, political, economic and international, but a conference called for a special purpose, particularly an economic purpose, presupposes care in preparation and a serious amount of consideration as to the likely outcome unless danger and damage are to be caused instead of resulting in some constructive situation.

It is a simple fact that in our free economic system there are only a few things that governments can do to change the normal course of trade. One is to put up barriers against imports whether by means of tariffs or otherwise. Another is to take down such barriers as already exist. Mr. Bennett in 1932 had a definite plan and part of that plan was to put up barriers against imports from non-empire sources. That was a definite objective; but what is the objective of the present government in this particular?

The Prime Minister of Canada returned to this country after the prime ministers conference and the first thing he did was to go and meet the journalists and newspapermen who are in this building, serving this nation with distinction. During the course of his conference with them he said that he was prepared to make a proposal which would have a great bearing on our economic relationships both with the United States and with Great Britain. He would shift 15 per cent of Canadian purchases in the United States to the United Kingdom. We have since estimated, of course, that the total of this shift would come to at least $625 million but this was not indicated by the Prime Minister at that time. However, what I think is most amazing is that the proposal should have been made, not in the United Kingdom, not at the prime ministers conference where as far as our Prime Minister was concerned the dominant theme was commonwealth trade but outside of that conference in Canada immediately after his return from the United Kingdom.

That raises, I think, legitimate doubt as to the circumstances of the birth of that particular idea. Was it the result of careful planning and consideration? Was it the result of preparatory work that had been done by the Prime Minister's economic and trade advisors? Or was it just an idea that suddenly came to him, one that had the quality of the spectacular, one that would fit in with his enthusiasm, understandable as it was, at the moment? Was it, as has been suggested, a reckless idea; or was it one that had been carefully considered?

One has reason to doubt whether the suggestion really deserves the designation of "proposal" for not once during the course of the present session of parliament has any hon. member sitting on the treasury benches made any reference to this proposal except that made last night by the Minister of Finance who simply said, "Give us time".

He did not say how long. "Give us time and we will provide for a shift in Canadian purchases from the United States to Great Britain".

That was the only mention of this proposal made by any member of the treasury since this session began. We believe from the communique that flowed from the conference in Washington, when Canadian and United States ministers conferred, that the proposal, or the idea of a shift in Canadian purchases, was really something not to be taken too seriously; it was something in the very long term, in any event. Because of this assurance, apparently, United States cabinet ministers were able to say with satisfaction, understandable satisfaction, "Well, if this shift is not really going to take place for a long time we have no hesitation in giving you assurances on some points of concern to Canada".

But long before the Washington conference what had happened? Her Majesty's government in the United Kingdom had taken this matter seriously. They knew that a proposal such as that which the Prime Minister had in mind was one that could not be implemented under the terms of the general agreement on tariffs and trade. And so the British government came forward with a formal proposal in Ottawa, through the chancellor of the exchequer, after the conference at Mont Tremblant.

We have the assurance of the Minister of Finance in that very exhaustive report he gave us two or three weeks ago about these various conferences, when he said that the first formal presentation of the British free trade proposal was given some time during the visit of the chancellor of the exchequer to Ottawa after the conference at Mont Tremblant; but he did not deny that on September 10 the minister of agriculture, Mr. Amory, had discussed the British proposal with him. We do know that Sir David Eccles, the president of the board of trade, was in Washington and had discussions with officials of the government of Canada about this very matter.

The Prime Minister has denied that when the president of the board of trade was at the United Nations, on the occasion of the Prime Minister's visit, there was any discussion between them with regard to Britain's free trade proposal. Well, Mr. Speaker, one must accept and one readily accepts the word of the Prime Minister; but nevertheless no member of the government can seriously take the position that the first real intimation of this very important proposal, perhaps the most important proposal ever made by one commonwealth government to another in the matter of trade, had not been brought to the attention of this administration long before that eventful evening within the luxurious surroundings of Mont Tremblant.

Then we are told by the Minister of Finance in a speech he made in New York that the assurances which he had been given by his counterparts in the government of the United States were not fully satisfactory and so we have this change of position. At one moment they are satisfied with their talks at Washington and a few weeks later the expression in New York, with these ministers absent, by the Minister of Finance is that after all the assurances were not as satisfactory as he would have liked. Apparently our ministers were treated in Washington by the Americans seemingly just as my hon. friend had treated the British at Mont Tremblant, because, if this proposal had been brought to the attention of the administration on September 10, as he admits it was, it deserved serious study and consideration.

How was it treated? Well, we really do not know because the Minister of Finance is reported as merely having said that it was laden with difficulties; there was no sympathetic consideration even offered or suggested. We do not know yet, therefore, what this British proposal was in detail; but obviously the Minister of Finance himself does know because he spoke of it at least at Mont Tremblant. We do know what it was in broad outline. It was a proposal to lower the barriers of trade and, as I have said, there are only two ways in free countries to influence the course of trade. One is to lower barriers and the other is to raise them. As parties to the general agreement on tariffs and trade both the British and ourselves are pretty well stopped from raising new barriers against non-commonwealth countries.

Now, surely, it was open to, and it was the duty of a government that speaks so feverishly of its love for the commonwealth to the point of trying to create division to see that that proposal, having in mind all of its implications, would receive friendly attention and not downright dismissal. It is certainly a proposal that would have been accepted by Sir John A. Macdonald. It is a proposal that would give free entry to the British market of all products in Canada, including automobiles. It would have meant free entry on a preferred basis because British restrictions against the United States, our principal competitors, would remain unchanged. In the trading situation which is now developing it would have meant more; for Britain is about to obtain free entry to all the markets of western Europe, France, Germany, Italy, the low countries, Scandinavia. Our metals and forest products, our wheat, which is now going to Britain in substantial quantities, would be sold in larger quantities to their flour mills and their factories to increase their production in order to sell more of their products on the European market. It would mean that Canada would get entry into the European free-trade area. In any event, it is a proposal put forward by a friendly government, and it should have received the kind of treatment which it deserved, particularly having in mind the provocation for that proposal, namely the suggestion made by the Prime Minister of Canada in the press gallery to Canadian newspapermen after the prime ministers' conference.

I would like to make this observation in passing, Mr. Speaker. We asked the Minister of Finance to give us some details of the proposal of the Canadian Prime Minister with regard to this shifting of purchases from one friendly country to another. I asked him to table the proposal of Her Majesty's government in the United Kingdom and his reply was that no one should know better than the interrogator, myself, how improper it would be for a minister of the crown to table such a document. That recalls the words of the Minister of Finance when he sat on this side of the house. He criticized my leader, then the prime minister, about the kind of position we were going to take at a prime ministers' conference in London several years ago. Here is what the Minister of Finance said:

> If parliamentary institutions enjoyed here in Ottawa the health that they ought to enjoy, no Canadian prime minister would go to an important commonwealth conference without having first invited a discussion in parliament on the position that he was going to take on behalf of his country in the deliberations of that conference.

This is what he said on the eve of the Mont Tremblant conference:

> For a number of reasons the arguments to be advanced by the Canadian government in favour of a commonwealth trade and economic conference were on the secret list and would remain so.

If my hon. friend's words had validity when he was in opposition, Mr. Speaker, surely those words afford justification for my asking him to give us more precise information about the proposal of his own

Prime Minister as well as the proposal made by Her Majesty's government in the United Kingdom.

But what about this proposal of the Prime Minister? Is it a practical thing? Is it desirable? Is it not something that should be debated in the house? The Prime Minister is the author of it. He spoke early in this debate. He made no reference whatsoever to his proposal or, for that matter, to any aspect of our trading relations with any friendly or other country.

Let us examine this proposal to shift purchases from the United States to another friendly country, in this case the United Kingdom. We all respect the judgment of a former distinguished public servant of Canada, the former assistant deputy minister of finance, now head of the department of economics at the University of British Columbia. Here is what Professor John Deutsch had to say about this idea of shifting from one traditional or well-established trading channel to another:

> We want prosperity but we fear the American trade on which it's based. We can't have it both ways. We can either develop our country ourselves and accept a lower rate of growth and prosperity or else we must do business with the United States.

This proposal for a shift means taking business away from our best customer. We do not want to take business away from our best customer. We want to increase trade with Great Britain. There is no one in the house or in the country who does not want to do that. Our objective should be to sell as much as we can to the United States in return for which there must be purchases and at the same time to build up our total volume of trade with all commonwealth and other countries.

But we talk about unemployment. I live in a city where there are now over 14,000 men out of work. English automobiles can come into Canada free of duty. Canadian automobiles cannot now enter Great Britain free of duty. I do not say that this is a fully acceptable proposal but I say it is one which on its very face deserves careful examination. I do not believe that we are contributing to the economic strength of this nation by disturbing, on the basis of ill-considered consideration, important trading relations that amount to almost $4 billion in their totality.

I do not believe that we should overlook the statement of the president of the board of trade made the other day in the United Kingdom that he had grave doubts that it would be possible in the foreseeable future for Great Britain, in the face of great demands made on her by European countries, to sell goods to Canada in the amount suggested by this 15 per cent shift. But let us look at the future. We hope to build in this country a growing nation giving added economic strength and well-being to our people, and one of the ways by which we are going to do that is not only to improve the domestic but also to improve the external market. And the United States is a very important market, no matter what anyone, for sentimental or other reasons, may think, as was stated the other day by the chancellor of the exchequer himself.

In 1956 our exports of goods and services to the United States amounted to nearly two-thirds of our total exports. While there will be fluctuations from time to time, it seems probable that over the long pull the United States will continue to require increasing quantities of our principal exports to that country—newsprint, lumber, nickel, copper, lead, zinc, aluminum, iron ore, asbestos, gypsum and in the future we hope large quantities of oil and gas. These are the materials in which the United States sooner or later will be deficient and which we will have in abundance.

It seems likely, therefore, that not only will our exports to the United States increase considerably in absolute terms but that such exports may account for as much as 70 per cent or three-quarters of the total exports of this country in the years to come. The probability that our exports to the United States will increase is one of the important reasons why we can be optimistic about our long-term future prospects. Our access to the United States market, even though it is largely restricted to the export of raw materials and semi-processed goods, is the envy, as Prime Minister Menzies said, of most nations in the world.

We should remember that the considerable volume of Canadian exports to the United States is one of the great strengths in the Canadian economy and an important reason for our optimism about the long-term future. It seems to me that we should do nothing that would disturb this. That objective is not inconsistent with the broad intentions apparently in the minds of those who are charged with responsibility at the present time in the United Kingdom.

The Prime Minister is one of those who strongly supported my colleague, the hon. member for Algoma East (Mr. Pearson), in his efforts to incorporate into the North Atlantic Treaty Organization article II, by which we sought to supplement military co-operation by economic co-operation among those countries who were the original signatories to the North Atlantic Treaty Organization itself. It seems to me that the policy of the government revealed by its

negative attitude to the British proposal, by the reckless manner in which it has made its own proposals, indicates that the government is not acting in a manner consistent with the declared purposes of the Prime Minister several years ago as to the great value of economic as well as political co-operation among the free nations of the world who are members of the defensive alliance which was established as the result of an effort to try to resist aggression from any quarter.

If my hon. friends are sincere about commonwealth trade why did the Prime Minister of this country, when Mr. Macmillan came to Ottawa, not take advantage of that opportunity at least to outline to him for the first time the nature of his own proposal for a 15 per cent shift? I asked the Prime Minister on Friday, the day Prime Minister Macmillian arrived, whether he would take advantage of Mr. Macmillan's presence in Ottawa over Friday night and Saturday to discuss further the details about the United Kingdom proposal for free trade and his own proposal for a 15 per cent shift. This was the reply of the man who speaks feverishly and sometimes almost with excessive emotion about what he is going to do for the commonwealth: "I will if there is time."

On the Monday after this visit, when the Prime Minister had conferred with the British prime minister, discussing, I know, very important matters which arose out of the discussions between the President of the United States and the prime minister of Great Britain, I asked the Prime Minister if he had taken advantage of the opportunity of the visit in Ottawa of the British prime minister to discuss with the latter his important proposal of a 15 per cent shift and the proposal put forward by Her Majesty's chancellor of the exchequer for a free trade area between Canada and the United Kingdom. This Prime Minister who, as I say, regards himself as a champion of commonwealth unity and is regarded as such now by a great section of the press in the United Kingdom, made the categorical answer to me: no.

Mr. Speaker, I believe that we have to accept the observations made a few moments ago by the hon. member for Okanagan-Revelstoke (Mr. McLeod) that there are reasons for believing that political considerations had something to do with the claims made by hon. gentlemen opposite during the election campaign and with the statements they are now making about ways and means of improving our trade position with the United Kingdom and with other commonwealth countries. Let no one say that from my remarks it can be construed that we are not desirous of seeing trade promoted between this country and other commonwealth countries. We recognize the need for a political community of interest and in this very difficult period we must acknowledge the need for an economic community of interest. But it is one thing to make a boast of intention and it is something else to give proper indication as to how that intention best can be fulfilled. I submit that, good as it may be and enjoyable as I am sure it will be, the delegation of 50 Canadian businessmen headed by my genial friend the Minister of Trade and Commerce is not going to bring about a revolution in the trade between the United Kingdom and this country.

By the way, in passing I should like to inquire why the automobile industry, one of the important sections of the industrial life of this community, is not represented in that delegation. The minister may have a good reason and I hope that at some time before he leaves for the United Kingdom he will tell us about this. But the house will recall that I asked him on several occasions whether he was going to the United Kingdom with this delegation and, if he went, whether he would discuss trade matters with his opposite numbers. While I do not remember the exact words he used, *Hansard* will bear me out when I say that his reply was to this effect, "Well, that would depend upon instructions I receive from my Prime Minister". Mr. Speaker, one of the reasons why this government is floundering is that it is a do-it-yourself government. It is a government made up of a group of well-meaning individuals headed by a Prime Minister whose confidence in himself is such that he believes that he alone can make government pronouncements and that he alone can bring this nation back to economic safety and normalcy.

Mr. Broome: Mr. Speaker, I rise on a point of order. It is my understanding that the hon. member who is speaking has used more than 40 minutes.

Some hon. Members: No.

An hon. Member: Learn your rules.

Mr. Knowles (Winnipeg North Centre): There is only one Speaker in this house.

Mr. Martin (Essex East): If I have done so, the Speaker will call my attention to the matter.

My final observation is this. The Prime Minister will be leaving in a short time to take part in important deliberations at NATO when the heads of the governments of all the free countries of NATO will gather for the purpose of further collaboration. He will find there, as he now knows, that that organization, contributed to so largely by my leader and by the hon. member for Algoma East (Mr. Pearson), is one that is playing a

major part in the easing of international tension and is providing the west with security against the soviet union. He will find there that if nothing else was ever done by the administration which he has opposed so vigorously, the contribution made by the present Leader of the Opposition in the suggestion, along with others, for the establishment of NATO represents a contribution which justifies every Canadian, regardless of party, in saying at this time that Canada, in the middle of the twentieth century, through its government of the day, made a vital contribution to the peace of the world.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I have listened with a great deal of interest to the speech just delivered by the hon. member for Essex East (Mr. Martin) and I listened the other day with equal interest to a speech of the same length delivered by the hon. member for Algoma East (Mr. Pearson). I take it that the speech in each case was at least to some extent a pitch or a bid for the leadership of the Liberal party at their coming national convention. I am sure that anyone who heard both speeches, and who knew nothing else about the two hon. gentlemen, would have the greatest difficulty in deciding which one to support. Anyone listening to those two speeches would have even greater difficulty I am sure, in attempting to ascertain the trade policy if any, of the Liberal party at this time. Both speeches dealt with trade. We heard from them for a total of 80 minutes. While they suggested that the government's trade policy was not what it should be and that the government at times had made statements that were rather reckless and inopportune, one certainly could not criticize them for having stuck their necks out or for having provided any leadership in the way of suggesting a trade policy.

Another thing which I think was notably absent from the speech of the hon. member for Essex East was any reference to the speech made this morning and the amendment moved by his colleague the hon. member for Quebec-Montmorency (Mr. LaCroix). Speaking as he did as a prominent member of his party following the the hon. gentleman who moved the amendment this morning, I would have thought that he might have placed on the record the official position, if there is one, of the Liberal party on this extremely important amendment. As far as we in this group are concerned, over the years we have always supported the idea and the principle that the time would arrive when Canada should have a distinctive Canadian flag. When we first supported that idea as a political party I am sure that it did not have the same general support across this country as it now has. It would seem that in 1957 the people of this nation, in a spirit of great unity, have come to support the idea of a distinctive and truly Canadian flag.

Many speeches have been made on this subject in the past. I think it is fair to say that all political parties have given support to this idea in one form or another. The former leader of the opposition Hon. George Drew in 1953 I believe made a very eloquent speech supporting the principle of a distinctive Canadian flag. We know that as far back as 1946 a special committee of this house did a great deal of work on this subject and made a report—I think it was almost unanimous—supporting a distinctive Canadian flag and contributing a suggestion for such a flag. I am not going to say at this time—indeed I am not sure—what type of design I would support myself, whether it be the exact design presented by that parliamentary committee or some other design. However, it seems to me that at this session of parliament we should be able to give some consideration to making a step forward towards the day that we have in this country a distinctive Canadian flag.

Towards the end of my remarks, Mr. Speaker, I expect to move an amendment to the present amendment that is before the house. I am not quarrelling with the principle of the amendment but there is one part of it, as it now stands, which I think could be changed. The present amendment reads as follows:

> We respectfully urge, however, that Canada should have a distinctive national flag and, in the opinion of this house, your most gracious Majesty's advisers should consider at once the advisability of taking steps to give to this country a truly Canadian flag.

We suggest that this amendment is asking the government itself to take these steps to provide a truly Canadian flag. We do not feel that this should be the prerogative of the government to decide precisely how it might best adopt for this nation a truly Canadian flag.

We feel that the question of arriving at a flag of a distinctive nature for Canada is something that is not a government measure but is something which should be reached by the agreement of all the major political parties in this house. We suggest that the government itself should not be making the decision but should be providing the means by which parliament, representative as it is of the Canadian nation, can make the decision. The amendment I shall move at a later time is as follows:

> That the amendment be amended by deleting therefrom all the words after the words "taking steps" and by substituting therefor the following words:

"to make it possible for parliament to reach an early decision with respect to a truly Canadian flag."

I would ask that the government and the house leader give consideration to this suggestion: that the form of this motion with a subamendment added thereto should not be taken in the spirit of being a want of confidence motion. The government should not consider that its own life as a government should be at stake in the vote on this resolution.

Mr. Hansell: May I ask a question of the hon. member.

Mr. Argue: Yes.

Mr. Hansell: I am sure he is aware of this but I will ask this as a question: is he aware that in 1946, I believe it was although it may have been 1947, that very thing was done by parliament and a special committee of parliament made recommendations to the government at that time.

Mr. Argue: I believe the hon. member must have come in late; I referred to that in my opening remarks. I do not think there is anything I might add in answer to his question.

Mr. Hansell: I just meant that the hon. member's amendment calls for something which has already been done.

Some hon. Members: No.

Mr. Argue: My understanding is that this has not been done but if the hon. member for Macleod wishes to give his opinion of what is the exact position in the country at this time we shall of course listen to that opinion.

A committee made a recommendation and there the recommendation has remained ever since, and parliament itself has not followed through by adopting a distinctive Canadian flag. I would suggest to the leader of the house that this motion should not be considered by the government as a want of confidence motion.

We already have an important precedent in this respect on December 5, 1951 when a member of the government party at that time, Mr. A. J. Bater, then the member for The Battlefords, moved a subamendment to the address on the speech from the throne in these words:

That all the words in the amendment after the word "regrets" be struck out and the following substituted therefor:

"the serious difficulties encountered by the western farmers in harvesting their crops, and commends Your Excellency's advisers for the continuing attention they have given to the problems caused thereby, and is confident that effective measures will continue to be taken to help the farmers in meeting these problems."

[Mr. Argue.]

When the vote was taken on this subamendment and the amendment they were both carried and this addition was made to the speech from the throne. I would therefore suggest to the government on this important national issue which I suggest is not a partisan issue or an issue between or among the political parties of this country, the government should "take off the whips"—to use a suitable phrase—and allow a free vote of members of this house on a very important national question.

Last night I listened to the speech of the Minister of Finance (Mr. Fleming)—

Mr. Pickersgill: Mr. Speaker, I wonder if before the hon. gentleman leaves that subject he will permit me to ask one question for the purpose of clarification. Does he understand the word "distinctive" to mean not including the emblem of any other country?

Mr. Argue: Mr. Speaker, I have already said—

Mr. Pickersgill: Do not evade the question.

Mr. Argue: I already said in my opening remarks that I was not advocating a flag of any particular design but was merely supporting, and I am sure this group is supporting the same principle, that it is time Canada had a truly distinctive flag.

Mr. Pickersgill: Evasion.

Mr. Argue: I listened with a great deal of interest to the speech made last night by the Minister of Finance and in many respects in the things he said he blew rather hot at times and rather cold at others. One thing he did not seem to be able to make up his mind about was whether the government had sufficient confidence of this house, whether it had too much or too little confidence. In his remarks he chastised a member of the official opposition for being so anxious to get up and support the government with might and main. Towards the end of his speech he said "Give us the confidence and we will do the job".

That last reference looked to me like an admission, in view of the things he had to say in the opening part of his speech, that the government was terrified most of all of this one thing: that in the various votes the government might keep the confidence of the house and therefore have to deal now with the great national issues which face this country because, as I see the things the government has done so far, and they have been good in the main, they have not dealt with the root of the basic problems which face our country.

I agree with those who have said that within the period of eight weeks or, if you wish to take the full term of office of this

government within the period of five months, more has been accomplished than in any similar period for some years in the history of Canada. I say the fact that something more has been accomplished is an indication that the present position, where the government has a minority in this house, is the best goad there is for government action and the best assurance to the public of this nation that democracy is functioning in our country. I think when the vote is taken on the sub-amendment to which I have referred we shall then see to what extent this government believes in full democracy in parliament because I do not think it is necessarily the best thing that these great national issues should be decided by one party in the traditional sense that the Prime Minister makes up his mind, then there is cabinet solidarity and therefore party solidarity and, no matter what the issue, something is rammed through parliament which in many instances people do not like.

I remember last year as a member of a standing committee on agriculture, taking part in the great debate on payments for sheep—as to whether it was overpaid or not. I also remember sitting on many committees in this house where a pattern has been followed and if there was a controversial issue referred to the committee, that committee was used by a government with a majority of the members of the committee to stifle discussion and to prevent full consideration of the report. We suspected in many instances the reports were written not really by the committee but initially in the office of the minister of the department concerned, and the report was then handed to the members of the government party, that is to say the Liberal party, and the great "whitewash" took place.

Mr. Gardiner: On a question of privilege. I am sure the hon. member is not attempting to apply all the words he has now used to the committee on sheep payments which met last session. On that occasion the decision was not prepared in the minister's office; it was drafted by one of the members of the C.C.F. party who sat on the committee, and supported unanimously, too.

Mr. Argue: I can appreciate that there may be exceptions, and if something different was done in that case, it was the exception which proves the rule, because I have sat in so many of these committee meetings—committees of which the former minister has been a member, or whose proceedings he has watched from the bleachers because he was very much affected by the discussions—when a rubber-stamp report was made, a report which was not supported by anybody except members of the government.

Mr. Speaker, measures have been passed this session providing for cash advances, increases in old age pensions, blind persons' pensions, disability pensions, war veterans' allowances and so on; they have all been passed through their various stages. It would seem to me that people in the country generally feel that something is being accomplished in the present session of parliament, and accomplished with reasonable despatch; and they will not look kindly on a government which wants to duck some of the most important issues which face the country, and escape them, possibly by calling an election which, according to this morning's press, would cost almost $7 million on the basis of the cost of the last election.

We have heard a good deal from the Minister of Finance both in the course of his speech last night and through the answers he has given to questions asked in the house, and one of the questions most often asked of the minister was whether there would be a budget. I suspect now that there will be no budget introduced this session. I have heard many speeches by many ministers of finance in the past, but I have never heard a speech which was quite so reckless and irresponsible or so verbose as the speech delivered last night by the present minister.

I think that speech contained many statements which cannot be substantiated on a basis of fact. The minister made a statement which I felt was rather reckless when he said the threat on inflation in Canada had now been checked. He took that position because the cost of living index has appeared to level off to some extent, although it is still going up. To my mind, the figures provide no such indication; rather, they are an indication of a further loss of revenue to primary producers and a further reflection of the deterioration of the position of agricultural producers in this country. The daily bulletin put out by the dominion bureau of statistics relating to this increase in the cost of living from 123.3 to 123.4 had this to say:

> In the current month a decline in the food index from 121.9 to 121.7 was not quite sufficient to balance increases in the other four component groups. Substantially lower prices were reported for pork, with lesser declines for beef, most fresh and canned fruits and vegetables, margarine, coffee and eggs.

There it is, the check to inflation which the Minister of Finance was talking about last night. Any check there is has been brought about mainly because the prices of pork, beef, fresh and canned fruits, vegetables and eggs have fallen. I do not think that is a situation with regard to which the government should feel much satisfaction. With

regard to this suggested arrest of the inflationary spiral, we in this group have been asking the Minister of Agriculture (Mr. Harkness) what he intends to do about setting an adequate floor price for hogs. Mr. Speaker, if one was sitting in this house and did not know what changes had taken place, and was relying merely on the answers given by the present Minister of Agriculture and by his predecessor in office there would be no means of telling which one of them was replying.

Somebody in the Department of Agriculture is evidently good at statistics. If they cannot go back one year to prove things are not so bad, they go back two years or ten years or twenty years. Thus we have the spectacle of the Minister of Agriculture getting up and saying: do not blame us for what has happened since we took office, just relate the situation today to what it was a year ago. Even on that basis there is not too much for the government to be satisfied with, because the price of cattle has been softening. Our complaint about the price of hogs is that almost ever since this government took office this price has been dropping at a very rapid rate.

On June 22 this year, the day after the government took office, the price of hogs at Toronto, grade B-1 dressed, was $31.50. For the week ending November 2, 1957 the price was down to $26.25, a drop of more than $5 a hundred. The price a year ago was not much different, but the price in the same period a year ago had increased from $27.50 on June 22 to $29.50 in November. That is what happened in the period of the summer and fall months last year. Hog prices stayed relatively stable in this country. What has happened since June 21? Hog prices have been fluctuating, but the trend has been downward; there has been a very substantial drop, and one hopes that in these circumstances the government will come forward with proposals to place an adequate floor price on hogs, and that it will not stand up, as its representatives have done in this house, and say: the old floor price has not yet been reached, so what are you complaining about? If all this government can do by way of price support legislation is to repeat the type of legislation which the former administration placed on the statute books, I think their support in rural Canada will not be any greater than it was during the time of the former administration.

The case of oats and barley provides another instance in which prices paid for agricultural products have fallen. The sale price of these products today is very little higher than the initial price, two cents a bushel in the case of No. 1 feed barley and about seven cents in the case of No. 1 feed oats. This means that at this moment the Canadian wheat board in its oats and barley operation is almost certainly suffering a net loss. That in turn will mean no further interim payments, no further final payment and, in fact, it represents such a low selling price as will require moneys to be paid into the wheat board account from the national treasury. Is this the way to check inflation? I think the truth of the matter is that the threat of inflation has not been checked.

I note that an application was before the board of transport commissioners some weeks ago asking for a further 10 per cent increase in freight rates in this country. Would the Minister of Finance or any member of the government say that there would not be an increase in freight rates? Does the government suggest that a substantial increase in freight rates is not an inflationary move? I think it is. There have been recent increases in prices of farm machinery and automobiles; are these increases not considered inflationary? I think the very announcement made by the Minister of Finance last night to the effect that the bank rediscount rate and interest rates generally would probably soften and that we are going to move away from the tight money policy of the former administration is in itself an indication that inflation has not been checked. I think the Minister of Finance will have to withdraw that statement as the months go by because, as we see it, inflation is certain to continue under the policies of this administration.

The Minister of Finance is satisfied that he has dealt with inflation. He is satisfied also that the government has dealt with the trade problem in spite of the two speeches to which I have referred. Indeed, he seems satisfied that everything is being done to increase markets for Canadian products. Moreover, he seems most satisfied that everything that conceivably could be done to increase our export markets for grain has been done. On November 14, as reported at page 1162 of *Hansard* of that date, the Minister of Finance said:

> —the Minister of Trade and Commerce (Mr. Churchill) has thrown into sound disposal policies with respect to that wheat an energy which has not been exhibited in that respect for many and many a year.

A little later he went on to say:

> —in the matter of our trade undertakings we have fulfilled our undertakings to the letter.

I thought one undertaking of this government was to recover the overseas markets for agricultural products that had been lost.

The Minister of Finance tells us the government has accomplished its undertakings, yet we see a substantial fall in exports for Canadian agricultural products since this government took office.

I am now going to compare the exports of wheat in July of this year as compared with July of last year, July being the first full month in which this government was in office. Wheat exports dropped from 28 million bushels in July 1956 to 22½ million bushels in July 1957, a decrease of 5½ million bushels. In August this year our exports of wheat dropped by 3 million bushels compared to last year. There was a further drop of 3½ million bushels in September this year as compared to the same month a year ago. The figures covering our barley exports for the same period indicate that there was a drop of 2 million bushels in July 1957 as compared to last year, a drop of 6 million bushels in August and a drop of 3 million bushels in September compared to the figures for the same months a year ago.

The government has been in office since June—not long it is true; not long in which to redirect new export policies—but the Minister of Finance stands up in the house and says that the undertakings of the government have been accomplished as far as international trade is concerned, and with the accomplishment of the undertakings of the government referred to by the minister we have witnessed an extremely drastic drop in export markets for wheat and barley. Is that the satisfactory situation for which the government now wishes to claim so much credit? As far as inflation and trade are concerned I think the government has a long way to go to solve these pressing problems.

There is something else which the government has not yet tackled. We heard from members over the years when they were in opposition the constant cry that there should be set up a committee of this house to examine into the question of defence expenditures but now that the situation is reversed the new government does not seem anxious to have such a committee established. We are all aware of the new state of defence in the world and the new potential threat created by the existence of sputniks. I think every hon. member of this house fully supports international co-operation amongst friendly nations for the maximum amount of defence that can be provided for the free nations and I think we all support the NATO provisions for defence. I think one can judge from what one reads in the press, that the NATO shield, as it is being called, and the NATO forces are sufficient, if war occurred, to wipe out the soviet union, as a military force, yes almost as a nation. I do not think there is any one in this house who believes that if such a war came we would not be wiped out too; so where do we go from here when each camp apparently has weapons of a type and in such quantity as to completely destroy its possible opponent?

The battle for men's minds still continues. It is still most important that we do everything we can in a practical way to ensure the maintenance of freedom throughout the world in those countries that enjoy political freedom and work to extend it; but I think the time has long since passed when we can say to ourselves that an expenditure of almost $2 billion on our current type of national defence provides real defence. A man of such prominence as Lieutenant-General Guy Simonds, the former chief of the general staff, has said that 80 per cent of our defence forces are obsolete. He said that the $200 million or $300 million that has been spent on the development of the CF-105 has been wasted, that the CF-105 is now a dead duck. What is this government doing? It says it is going to continue its development. When we asked to find out by way of a parliamentary committee whether a statement by a person of the prominence of Lieutenant-General Simonds is correct or not the government would not provide us with such a committee. We had hoped that this government would see the folly in putting all of our defence projects, or almost all of such eggs, in a military basket.

I had hoped the government would see the immediate necessity of making substantial increases in economic assistance to friendly nations, expanding the assistance given by Canada under the Colombo plan, not in a small meagre or mediocre way but under a great plan whereby Canada could lead the world in relation to its resources in the provision of economic and technical assistance to people in free nations. The government increased Canada's contribution under the Colombo plan; indeed the announcement was made the other day. It is no longer going to make the small contribution of $34,400,000; rather it is increasing its contribution to $35 million, less than a 2 per cent increase. The Colombo plan is designed to help lend economic assistance and technical development to the commonwealth countries and southeast Asia and I suggest it is there where the future course of democracy in the world will be decided in terms of whether it increases in strength or decreases.

My study of the program of the Nehru government suggests to me that India today is in a deep financial crisis. Earl Atlee, according to this morning's press, said that India has decided to use almost all of its sterling reserves in meeting the great economic crisis which faces that country. Are we going to do something now in a spectacular, dynamic

way to show the world that we mean business in economic assistance and in helping our fellow men?

The idea that I am about to present is not new; I presented it in the house on April 13, 1954. I said at that time I felt that the time had arrived when we should take $500 million out of our defence budget, being spent on armaments, and use it for economic assistance.

I believe my time is about up, Mr. Speaker. I move, seconded by the hon. member for Vancouver East (Mr. Winch):

That the amendment be amended by deleting therefrom all the words after the words "taking steps" and by substituting therefor the following words:

"to make it possible for parliament to reach an early decision with respect to a truly Canadian flag".

I would go further, Mr. Speaker, and say that the Canadian people are prepared to provide economic assistance to underdeveloped countries not just by transferring the amount of money they have in a defence program now to some other program, but I believe the Canadian people are willing to pay the price and to pay the cost of providing our share of the economic assistance that may be necessary to see that friendly nations are able to maintain democracy in their countries.

I have been informed that recently the British labour party announced that if they are returned to power in the next election they would be prepared to take three per cent of the gross national product of Great Britain and use it for economic assistance to underdeveloped nations. I suggest that Canada should do the same thing; that $1 billion as a long-term investment program from Canada in a planned way is not too much to suggest as our share of the price that must be paid to see that democracy is retained in those parts of the world that now enjoy it.

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, this afternoon it is my privilege to say a few words on behalf of the government in closing this throne speech debate. In the first place, may I say that we appreciate the suggestions and the criticisms—although they are a little harder to appreciate,—which have come our way in the course of this debate. After all, in a debate of this kind we have the democratic system at its best, and the debate has been an excellent one. We are particularly proud of the part which has been taken by the new members of our own party of whom we elected so many. We are fortunate in having, I think, a larger proportion of new members in the present house than any government has had for some time. Without exception these young men have shown—I am sure everyone in the house will admit this—that they are deeply and genuinely interested in the welfare of the country and are not hesitant about making suggestions to their own ministers. That, of course, is as it should be.

[Mr. Argue.]

We have before us at the moment an amendment moved by the hon. member for Quebec-Montmorency (Mr. LaCroix) which would add to the address the following words:

We respectfully urge, however, that Canada should have a distinctive national flag and, in the opinion of this house, your most gracious Majesty's advisers should consider at once the advisability of taking steps to give to this country a truly Canadian flag.

To that amendment the hon. member for Assiniboia has moved a subamendment this afternoon which deletes the words:

to give to this country a truly Canadian flag—

and substitutes:

to make it possible for parliament to reach an early decision with respect to a truly Canadian flag.

In moving this subamendment the hon. member directed some honeyed words to the government. He said: After all, this may be a vote of no confidence but, nevertheless, let us not treat it as such; let us just be on a friendly basis and forget all about this being a vote of no confidence. Well, he is a very experienced politician. He has been here for a long time and he knows just as well as I do, and as all the other members of the house do, that this amendment and the subamendment which have been moved today, if they were approved by the house would constitute a vote of no confidence, and for that reason they cannot be accepted by the government.

I agree that this flag question is a very important one; but I point out that the manner in which the issue has been brought before the house today is really ridiculous. It should never have been tossed into a debate of this kind. Other steps might have been taken by way of a motion, or something of that kind, so that the question could have been considered in the manner which it merits. It does merit the most careful consideration and that is absolutely impossible under the conditions in which this amendment has been moved today.

I should like to say a few words about the speech of the hon. member for Assiniboia (Mr. Argue). He is a great admirer of minority government and why would he not be? Where the government of the country does not have a majority the members of his party believe that that gives them a chance to hold a gun at the head of the

government and say, "Here, you do what we want or we will pull the trigger". Now, this is just a splendid illustration of the futility of a four-party system in a democratic country. Our whole system of government is based on the government of the day having the responsibility of giving leadership to the Canadian people.

Mr. Ellis: Let us have it.

Mr. Green: That responsibility can only be assumed where the government has a majority. If we are to have in Canada perpetually a system under which two small parties are able to hold up the government of the day, then government in this country will have reached a sad state.

An hon. Member: Who is holding you up?

Mr. Green: Like everyone else in the present house, the members of the government are making the best of a situation which is really not in the best interests of democracy in Canada. I am afraid we cannot agree with the proposal that for all time the government of Canada should be in a minority. Then he rather amused me by the vehemence with which he attacked the Liberals for their criticism of us for being so slow in doing the things the Liberals thought should be done. The Liberals were unreasonable. The Conservative government had worked faster than any other government for years and deserved great credit. Why were they being criticized by these wicked Liberals?

But when he came to the latter part of his speech and the subjects in which he was interested, the government had been terribly slow, they had dragged back, they were not doing this, that and the other thing. Why did they not hurry up? Everything was wrong. Now, he cannot have it both ways.

An hon. Member: You don't know them.

Mr. Green: Either what he said first is right, that we are getting along fairly well and are meeting these problems fairly promptly or else we are not getting along at all. I think that in his less forensic moments he will agree that his first statement was the more accurate one and that the present Conservative government actually has moved and is moving to settle the problems facing this country more rapidly than any government of Canada has done for many a long year.

Mr. Ellis: It is impossible to go as slow as the Liberals.

Mr. Green: I urge him to show a little patience. We will get around to all the problems that deserve to be settled in anything like the way he suggests. Do not be in too big a hurry.

Then, Mr. Speaker, I am sure we all find it very difficult to know just what value to place on the remarks made by the hon. member for Essex East (Mr. Martin) at this session of parliament. One minute I think, well now, he really means that, he is really advocating that policy, and then the next minute I think, now he is imagining he is standing up in the coliseum in Ottawa on January 16 and pleading for votes for Martin. It is very hard to divide these two attitudes. I really do not think they can be divided. I think they are all mixed up and that for the remainder of the session we will just have to take his remarks with a grain of salt and wish him good luck in this great competition.

He waxed eloquent on quite a number of different subjects. One was unemployment. He almost got around to criticizing the tight money policy which his own government adopted but he did not quite get that far. You know, Mr. Speaker, he reminded me of the slogan which was painted on billboards all over the country, "Vote for Canada, vote Liberal"—

Some hon. Members: Hear, hear.

Mr. Green: —as if the Liberal party were the only party that could govern Canada. What a myth that was!

Mr. Pickersgill: Wait and see.

Mr. Green: And yet he is still labouring under the delusions which he had before June 10. The Canadian people took a part in these questions, you know—

Mr. Martin (Essex East): Most of them voted for us.

Mr. Green: —just a few short months ago.

Mr. Martin (Essex East): Most of them voted for us.

Mr. Green: Now the hon. member and his fellow Liberals are sitting to His Honour's left. They have lost half of their leaders. Half of their cabinet is gone. These are things which happened in Canada this summer but I do not believe the hon. member for Essex East has awakened to that fact yet. He said today that the prestige of Canada has fallen since the Liberal government went out of office. The only thing that has fallen since the Liberal government went out of office is the Liberal party, and it has fallen with a real thud. But the fact is that the prestige of Canada never stood higher in the world than it does today.

Mr. Martin (Essex East): That is what I said.

Mr. Pickersgill: That is what he said.

Mr. Green: That is not a matter of parties, and it is very unfair and unwise for an experienced member of the house—

Mr. Martin (Essex East): I rise on a question of privilege. No hon. member has the right to say of another that he took a particular position if that hon. member denies it. I did not say that at the present time Canada's prestige was not high. I said Canada's prestige at the present time was high because of the government headed by the right hon. gentleman who is the Leader of the Opposition.

Mr. Green: Well, Mr. Speaker, that is saying what I indicated in slightly different words.

Mr. Pickersgill: Oh no, not at all. The usual distortion.

Mr. Green: I repeat that the fact is that the prestige of Canada has never been higher.

Mr. Martin (Essex East): That is right.

Mr. Pickersgill: Hear, hear.

Mr. Green: To turn to the question of the commonwealth, the hon. member for Essex East ridiculed the part taken by the present government in the commonwealth conference. I have sat in the house for 22 years and have watched the reaction of leaders of the Liberal party to commonwealth matters. On every occasion they have gone to commonwealth conferences determined that they would not give any leadership at those conferences. They would attend all right but they were oh so careful never to put themselves in a position of giving any leadership.

In 1957 the new Prime Minister went to the United Kingdom just two days after his government had been sworn in and he gave leadership at that conference.

Mr. Pickersgill: What leadership?

Mr. Green: He gave that leadership because his thoughts and his heart were in that direction.

Mr. Pickersgill: Will the hon. gentleman permit a question?

Mr. Hodgson: Oh, sit down.

Mr. Pickersgill: Would the hon. gentleman suggest on what particular subject the Prime Minister gave leadership at London, because the communique indicated that he did not talk about trade?

Mr. Green: Mr. Speaker, there is another example—

Mr. Pickersgill: Answer the question.

[Mr. Pickersgill.]

Mr. Green: —of the same kind of attitude taken by the hon. member for Essex East. What the Prime Minister did was to go to London determined to give leadership to the commonwealth.

Mr. Pickersgill: What kind of leadership?

Mr. Green: There was such a difference shown in the attitude of the man who attended this conference.

Mr. Pickersgill: Read us the *Globe and Mail* on Thorneycroft.

Mr. Green: I will come to trade in a minute. I do not believe any fair-minded Canadian would deny that the attendance of Canada's Prime Minister at this conference in 1957 has been one of the greatest contributions to commonwealth unity that has ever been made by any Canadian.

Mr. Pickersgill: What about Mr. Thorneycroft's visit to Ottawa?

Mr. Green: You see the splendid results in so many directions.

Mr. Richardson: Where?

Mr. Green: You would not be able to see it if I told you.

Mr. Pickersgill: Why not tell us and find out?

Mr. Green: Then the hon. member for Essex East and the hon. member for Bonavista-Twillingate (Mr. Pickersgill) ridiculed the efforts of the present government to increase trade with the other commonwealth countries.

Mr. Pickersgill: We merely asked questions.

Mr. Green: Of course they were never interested in commonwealth trade. Year in and year out we have pleaded in this house for Canada to take some steps to promote greater commonwealth trade but never was a move made in that direction. The hon. member for Essex East forgot all about that this afternoon when he soared in those flights of oratory of his. That has been the attitude taken by the Liberal government here for many long years. After all, this trade conference has not yet been held. To hear the hon. member for Essex East one would think that the trade conference had already been held and that it was a great failure,—something which pleased him very much—and that the responsibility for that failure rested entirely on the present Canadian Prime Minister. What are the facts?

Mr. Pickersgill: Yes; what are the facts?

Mr. Green: The Prime Minister of Canada was able to arrange for the calling of a preliminary conference to plan for a full-scale trade conference which is to take place

next year. That was a worth-while accomplishment. Many people were convinced that it could not be done. Nobody was more hopeful that it could not be done than were the senior Liberals sitting across from me today.

Mr. Martin (Essex East): May I ask the minister a question?

Mr. Green: Surely.

Mr. Martin (Essex East): I wonder whether my hon. friend, who is in such a delightfully happy and friendly mood today, could give us the agenda of the proposed commonwealth conference which is to be held?

Mr. Green: Mr. Speaker, did you ever hear a more foolish question? Now I know he will never win that leadership. This economic and trade conference is to take place next year. I suggest to these Jeremiahs across the way that they forget trying to wish it into failure and that they do what they can to make it a great success. If they believe in promoting commonwealth trade half as much as the hon. member for Essex East tried to tell us today, I am sure they will all accept my suggestion.

Then he complained at considerable length about an attempt being made to shift Canada's purchases from the United States. He tried to strengthen his argument on that point by dealing with exports from Canada to the United States and in so doing I thought he was drawing a rather long bow. The actual fact is—and the hon. member for Essex East knows it very well—that last year the adverse trade balance against Canada in her trade with the United States was over $1,200 million or over $100 million a month. But the Liberal government, before the election, was not a bit interested in that matter. Right Hon. C. D. Howe said it was a good thing.

Mr. Pickersgill: So it was.

Mr. Green: The Canadian people decided that question, just as they decided several other questions, on June 10. I am really amazed that the hon. member for Essex East would rise in his place today and make a speech in which he criticized the present government for trying to get that adverse trade balance reduced. It is things of this sort that make one place little value on his remarks.

Mr. Speaker, I do not want to waste all of my time on those two hon. members.

Mr. Sinclair: You have so far.

Mr. McIvor: Are you wasting it?

Mr. Stick: You waste time on more than that.

Mr. Green: After all, the main subject for debate should be the speech from the throne. I am going to presume on the good nature of the house by reading again just one paragraph from an article written for the Vancouver *Sun* by our old friend Elmore Philpott who sat here during the last parliament and who is now with us in the press gallery. Mr. Philpott never made any attempt to hide the fact that he is an ardent Liberal. In this report written to his paper after the commencement of the present session, he had this to say under the heading "Keeping Faith":

> Ottawa—The 1957 speech from the throne is an historic document for several reasons. But the one which means most to the people of Canada is that the Conservatives have spectacularly kept their main election promises.

And may I say that every word of this is true.

Some hon. Members: Oh, oh.

Mr. Green: The article continues:

> Prime Minister Diefenbaker has not only itemized the main points on which he was morally bound to take action at this session, but he has also outlined intended action on several other matters which he might well have postponed for the future without giving justification for the cry of bad faith.
>
> The whole country, regardless of party preference, should be delighted to see this proof that the old party of Sir John A. Macdonald has thus demonstrated that its official title of "Progressive Conservatives" has taken on new meaning for the whole Canadian nation.

How could the present government have a finer endorsation than the one I have just read?

I need only remind hon. members that the house has already enacted legislation to provide for cash advances on farm-stored grain, has already increased the payments under the Old Age Security Act, has made possible increased payments under the Old Age Assistance Act, the Blind Persons Act an the Disabled Persons Act, and has increased the benefits under the War Veterans Allowance Act. These are all bills which have already been passed by this house, and some of them have received royal assent.

Other measures on the order paper are the bill to provide annual vacations with pay for employees in federal works, undertakings and businesses; a bill to amend the Pension Act which has already passed the resolution stage; a resolution preceding a measure to establish a system of guaranteed prices for certain agricultural commodities; and a resolution that it is expedient to introduce a measure to authorize the construction of a branch line for the Canadian National Railways. These are measures actually passed or in the process of being passed by this

house, in most cases implementing the campaign promises made by the Conservative party.

Yesterday announcement was made of a policy which will implement the paragraph in the speech from the throne dealing with power in the Atlantic provinces.

We have acted in other fields as well.

When we came into office we found that as a result of deliberate policy pursued by the former government the construction of homes in Canada had dropped off to an alarming degree. That was a tragedy, not only for the young people and other Canadians who needed homes of their own or needed homes to rent but for the building industry of Canada and other connected industries such as the suppliers of furniture and all the articles that go with the building of a home. In that particular field, when we took over, there was rapidly developing a spirit of defeatism which might very well have cast a great shadow over the national economy in the months that lay ahead. Fortunately it was not necessary for us to have legislation in order to do something to meet that situation and we decided that $150 million should be made available for the construction of lower priced homes in Canada. That was being done by means of what are known as agency loans where the government puts up the money and the loans are made through the banks and other lending institutions.

We were not absolutely sure that such a plan would be successful but we have been very gratified by the results. I have before me the figures up to November 8 last, which was only nine weeks after the plan really came into effect, and at that time loans had been approved to the amount of $93,309,331 for a total number of units of 9,995. In addition to those loans which had been approved there were in process of approval loans amounting to another $35,710,000 making a total of $129,019,331. That means that the money is rapidly being used up and I may say that if there is a need for an additional amount under the scheme the government will be taking steps to meet that situation. There has been some holding back and there have been some difficulties with respect to the Atlantic provinces. In that area, as of the end of last week, there had been only 201 units covered by loan but that figure did not include applications which had not yet been approved. The money committed to these loans in the Atlantic provinces totalled $1,712,232.66. There had also been some delay in the province of British Columbia, but in that province the situation is much better than formerly and the figures for British Columbia as of the end of last week were 466 units for a total value of $3,988,089.11.

Mr. Pickersgill: Pretty good Liberal legislation.

Mr. Green: No; it may have been good Liberal legislation but the former government did not do anything about it.

Some hon. Members: Oh, oh.

Mr. Pickersgill: How ridiculous can you get?

Mr. Green: The former government was deliberately—I repeat, deliberately—holding back construction of homes in Canada at the time it went out of office.

Mr. Pickersgill: Utter nonsense.

Mr. Green: And if it had been re-elected on June 10 this housing situation in Canada today would have been—

Mr. Pickersgill: Much better.

Mr. Green:—very very bad. This is only one example of the way in which the present government is trying to meet the conditions which face the Canadian people. There are various problems coming up from time to time, problems which are under consideration every day. However we are trying to deal with them as they arise. I suppose it is too much to expect that we would get much credit for these things from any of the opposition parties in the house. Perhaps it would be expecting too much of human nature.

In closing I would like to point out this fact: this government has been in office less than five months. I think we have already shown we are endeavouring to give leadership to the Canadian people and I believe the Canadian people are fair enough and reasonable enough to realize that fact, no matter how much abuse we might get from the other side of the house.

We have listened for years to the talks from your right, Mr. Speaker, in earlier parliaments that no one could run the country but the Liberal party since they were the only truly national party.

An hon. Member: Hear, hear. That is right.

Mr. Green: How hard it would be for them to explain that statement today.

Some hon. Members: Hear, hear.

An hon. Member: We will explain it.

Mr. Green: Theirs was the only truly national party; there were no men or women anywhere else in Canada who could run this country; just those people sitting to your right.

An hon. Member: That is being proven every day.

Mr. Green: It was the same story in the press. I think they almost had the press gallery convinced that it would be disastrous if Canada were ever to do away with the Liberal government. It looked at times as if they were here for a thousand years; I must admit I sometimes felt that myself. But what happened when the electorate of Canada decided it was time for a change? A change was made. Of necessity new men and women had to take on the responsibility of leadership and the members of the present government have done that. None of the members of the present government had ever been in a cabinet.

Mr. Pickersgill: That is not correct; how about the hon. member for St. John's West (Mr. Browne)?

Mr. Green: Oh yes of course. After we had been sworn in at Government House, an announcement was made by the clerk of the privy council as follows: "Now gentlemen there will be a meeting of the cabinet at 2.30 this afternoon", and one of the new ministers remarked, very wisely so, "and will you please tell us how to get there?"

Mr. Marler: Is this a cabinet secret the hon. member is divulging?

Mr. Green: However, we found out the extent of the services which were available to cabinet ministers, how they could press a button and have a prepared speech on any subject on their desks in half an hour. We realized just what a lot of nonsense this story was that members of the former cabinet were supermen.

Mr. Pickersgill: Would the hon. gentleman tell us who prepared this one?

Mr. Green: Really, Mr. Speaker, all the members of the former cabinet had to do—and the same applies to members of this cabinet if they wish to follow the practice—was to get up and read something on a sheet of paper. This practice was followed quite frequently by former ministers and, in fact, we had quite a bit of it from the hon. member for Essex East this afternoon, but no doubt he got into that bad habit while he was a member of the government.

I should like to say this before I close: We have had the finest assistance from the members of the Canadian civil service. I know the former ministers will agree with these comments. These men and women are in the civil service as a career; it is their life. They have been supported for many years now by leaders of all the parties; all the leaders of all the parties since Sir Robert Borden introduced the merit system about the time of the first world war. They have stood firmly behind that system. Today Canada has reaped her reward from that policy. Here we had these senior civil servants—I do not suppose one of them had ever been in a senior position except under a Liberal minister—and yet these men and women have served us devotedly. They really have rendered a great service for Canada. I hope—I am sure—that it will always be possible for Canada to keep a civil service of that type.

Mr. Speaker, the time has practically gone and we must vote on these amendments. I repeat once again, for the benefit of those who were not here when I began my remarks, that this amendment and the subamendment would, if endorsed, mean that this house is voting no confidence in the present government. No matter what attempt may be made to picture them as something else, that is what they actually are. If one of them were to be adopted by this house, that vote would constitute a vote of non-confidence in the present administration.

Mr. Speaker: Is the house ready for the question?

Some hon. Members: No.

Right Hon. L. S. St. Laurent (Leader of the Opposition): Mr. Speaker, I think there are still two minutes before the time at which you will be required by the rules of the house to put the question. We have heard a speech, very amusing in parts, from the Minister of Public Works (Mr. Green), but there are realities which we have to face and which, I am sure, he and his colleagues are prepared to continue to face as a result of June 10.

The hon. gentleman has said that it is not very comfortable to be a member of a government which does not have a majority in the House of Commons. But that is the situation which arose as a consequence of the election of June 10, and it was under those conditions that the former government resigned and the hon. gentleman's leader accepted the responsibility of forming a cabinet. It is that situation which we have faced since parliament met on October 14.

We declared that we would not obstruct the government in its efforts to implement the promises it had made during the election campaign, and I declared in my first remarks on the address in reply to the speech from the throne that it was not our intention this session to move an amendment to the motion for an address, and that having come to that conclusion it was not our intention to support amendments made from any other quarter of the house, because there could be only one of two consequences; if the amendment carried the government would be defeated and would be prevented from putting before parliament the legislation

required to implement its election promises, and we did not feel that was what the Canadian public wished to have done at this time.

That situation still persists, and we are not disposed to support these amendments which would in constitutional practice amount to a no-confidence motion. We will, following their rejection, as I expect they will be rejected, not oppose the main motion to express thanks to our gracious sovereign for having opened this session of parliament. But our concurrence in that address will not mean more than our undertaking to give serious consideration to all the measures which the government will bring before parliament under the terms of the speech with which Her Gracious Majesty opened the present session.

Mr. Winch: Just what are you applauding, may I ask?

Mr. Speaker: It being 5.30 o'clock p.m. it is my duty pursuant to section 4 of Standing Order 38 to interrupt these proceedings and forthwith put the question on any amendment now before the house.

The house divided on the amendment to the amendment (Mr. Argue) which was negatived on the following division:

YEAS

Messrs:

Argue
Barnett
Bryce
Bryson
Cameron
Chabot
Coldwell
Ellis
Herridge
Howard
Johnson (Kindersley)
Knowles (Winnipeg North Centre)
LaCroix
Langlois
Lewry
Macdonald (Vancouver-Kingsway)
McCullough
Peters
Poulin
Proudfoot
Schulz
Stewart (Winnipeg North)
Winch—23.

NAYS

Messrs:

Aiken
Anderson
Arsenault
Ashbourne
Balcer
Barbes
Baskin
Bell (Carleton)
Bell (Saint John-Albert)
Benidickson
Best
Blackmore
Blanchette
Boucher
Brassard
Brooks
Broome
Browne (St. John's West)
Byrne
Cardiff
Cardin
Caron
Carter
Casselman
Chevrier
Chown
Christian
Coates
Comtois
Courtemanche
Crouse
Deslieres
Dinsdale
Dumas
Fairfield
Gardiner
Gauthier (Portneuf)
Gour
Green
Grills
Habel
Hahn
Hales
Halpenny
Hansell
Hardie
Harkness
Hodgson
Holowach
Johnston (Bow River)
Jorgenson
Jung
Lambert
Landry
Lavigne
Leduc (Gatineau)
Leduc (Verdun)
Legare
Loiselle
MacDonald (Antigonish-Guysborough)
Macdonald (Kings)
Macdonnell
MacEwan
MacInnis
MacLean
Macquarrie
MacRae
McBain
McCleave
McGee
McGrath
McIlraith
McIvor
McLeod
McPhillips
Maloney
Mandziuk
Marler
Martin (Essex East)
Milligan
Monteith
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Noble
Nowlan
O'Hurley
Olson
Patterson
Phillips
Pickersgill
Pratt
Quelch
Ricard
Richard (Ottawa East)
Richardson
Robinson
St. Laurent (Quebec East)
Simpson
Sinclair
Small
Smith (Battle River-Camrose)
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Stanton
Stefura
Stick
Stinson
Stuart (Charlotte)
Taylor
Thomas (Middlesex West)
Thompson (Northumberland)
Tucker
Valois
Villeneuve (Glengarry-Prescott)
Villeneuve (Roberval)
Walker
Winkler
Wratten
Yuill—122.

Mr. Speaker: I declare the amendment to the amendment lost.

The question is on the amendment to the main motion. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the amendment (Mr. LaCroix) which was negatived on the following division:

YEAS

Messrs:

Argue
Barnett
Bryce
Bryson
Cameron
Chabot
Coldwell
Ellis
Hansell
Howard

Johnson (Kindersley)
Knowles (Winnipeg North Centre)
LaCroix
Langlois
Lewry
Macdonald (Vancouver-Kingsway)
McCullough
Peters
Poulin
Proudfoot
Schulz
Stewart (Winnipeg North)
Winch—23.

NAYS

Messrs:

Aiken
Anderson
Arsenault
Ashbourne
Balcer
Barbes
Baskin
Bell (Carleton)
Bell (Saint John-Albert)
Benidickson
Best
Blackmore
Blanchette
Boucher
Brassard
Brooks
Broome
Browne (St. John's West)
Byrne
Cardiff
Cardin
Caron
Carter
Casselman
Chevrier
Chown
Christian
Coates
Comtois
Courtemanche
Crouse
Deslieres
Dinsdale
Dumas
Fairfield
Gardiner
Gauthier (Portneuf)
Gour
Green
Grills
Habel
Hahn
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hardie
Harkness
Hodgson
Holowach
Johnston (Bow River)
Jorgenson
Jung
Lambert
Landry
Lavigne
Leduc (Gatineau)
Leduc (Verdun)
Legare
Loiselle
MacDonald (Antigonish-Guysborough)
Macdonald (Kings)
Macdonnell
MacEwan
MacInnis
MacLean
Macquarrie
MacRae
McBain
McCleave
McGee
McGrath
McIlraith
McIvor
McLeod
McPhillips
Maloney
Mandziuk
Marler
Martin (Essex East)
Milligan
Monteith
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Noble
Nowlan
O'Hurley
Olson
Patterson
Phillips
Pickersgill
Pratt
Quelch
Ricard
Richard (Ottawa East)
Richardson
Robinson
St. Laurent (Quebec East)
Simpson
Sinclair
Small
Smith (Battle River-Camrose)
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Stanton
Stefura
Stick
Stinson
Stuart (Charlotte)
Taylor
Thomas (Middlesex West)
Thompson (Northumberland)
Tucker
Valois
Villeneuve (Glengarry-Prescott)
Villeneuve (Roberval)
Walker
Winkler
Wratten
Yuill—122.

Mr. Speaker: I declare the amendment lost. The question is on the main motion. Is it the pleasure of the house to adopt the motion?

Motion agreed to.

Hon. Howard C. Green (Minister of Public Works) moved:

That the said address be engrossed and forwarded to Her Majesty the Queen.

Motion agreed to.

Hon. Howard C. Green (Minister of Public Works) moved:

That an address be presented to His Excellency the Governor General praying that His Excellency will be pleased to transmit to Her Majesty the Queen an engrossed address which the Commons of Canada, in parliament assembled, adopted in reply to Her Majesty's speech at the opening of the first session of the twenty-third parliament.

Motion agreed to.

Hon. Howard C. Green (Minister of Public Works) moved:

That the address to His Excellency the Governor General, adopted this day, be engrossed and presented to His Excellency the Governor General by such members of this house as are of the honourable the privy council.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Green: Mr. Speaker, it is the intention next week to have a supply motion and then we should like to have estimates on Wednesday, Thursday and Friday. In order to do that it will be necessary to get unanimous consent to drop the first Thursday which is allotted for private members, and I would ask leave of the house to revert to motions.

Mr. Chevrier: May I ask a question first? Is it the intention of the government to proceed with the motion to go into supply on Monday?

Mr. Green: Yes. I would ask leave of the house to revert to motions in order to move a motion by unanimous consent.

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

Some hon. Members: Agreed.

MOTION TO SUSPEND STANDING ORDER 15 (3) FOR THURSDAY, NOVEMBER 21

Hon. Howard C. Green (Minister of Public Works): By unanimous consent I move:

That, on Thursday next, notwithstanding the provisions of standing order 15 (3), government orders shall have precedence over all other business, except the ordinary daily routine of business.

Motion agreed to.

Business of the House

Mr. Knowles (Winnipeg North Centre): I wonder whether the house leader would indicate what departments will be opened at the conclusion of the supply motion that will be presented on Monday? Would he also indicate what departments it would be proposed to discuss in committee of supply on Wednesday, Thursday and Friday of next week? Perhaps while I am on my feet I might ask whether he could give any further indication as to the plans for a day's debate on external affairs.

Mr. Green: Mr. Speaker, we are in the course of discussions between the parties in the hope that it will not be necessary to have six supply motions. If an agreement can be reached to that effect, we would ask to have more than six departments put in on Monday or Tuesday, whenever the motion to go into supply happens to be adopted. At the present time I cannot say with certainty that there would be no changes in this plan. The present intention is to call the department of the Secretary of State (Mrs. Fairclough) which I think will be discussed first. As hon. members know, the Secretary of State is a lady and we thought that the lady should be first. Then it is the intention to call fisheries, mines and technical surveys, justice, veterans affairs and external affairs, but not necessarily in that order, apart from the first department I mentioned. Possibly the week after next we can arrange for a one-day debate on external affairs in order that those estimates may be sent to the standing committee on external affairs.

Mr. Argue: I wonder whether I might ask the house leader a further question on the business. Could the house leader say whether it is the intention of the government fairly soon to move the resolution dealing with price support legislation for agricultural products? I thought that this was one of the pieces of legislation that was considered to be of an emergency character and that it would be brought forward soon.

Mr. Green: I think so, Mr. Speaker; but I am really not in a position this afternoon to say just when that would be done.

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:

CAMP GAGETOWN

Question No. 144—**Mr. Robichaud:**

1. What is the total amount spent to date by the national defence department for the construction and operation of Camp Gagetown?

2. What is the total amount spent by Central Mortgage and Housing Corporation to provide accommodation for personnel, etc., at Camp Gagetown or at Oromocto, New Brunswick?

3. How many men were trained at Camp Gagetown during the 1957 season?

4. How many are expected to be training at Camp Gagetown during 1958 according to the program actually laid out by the national defence department?

5. How many civilians are presently employed in connection with the maintenance of Camp Gagetown?

[*For amended answer see pages 1318-19.*]

Answer by: **Hon. G. R. Pearkes (Minister of National Defence):**

(Insofar as D.N.D. is concerned):

1. Total amount spent by D.N.D. for construction and maintenance of Camp Gagetown—$91,221,143.

2. To be answered elsewhere (Department of Public Works).

3. Approximately 10,400.

4. It is estimated that 4,400 regular army personnel will undergo training at Camp Gagetown during 1958. An additional 2,500 vacancies will be allotted to militiamen for an attachment of one week's training with the regular army.

5. As of 31 October, 1957—149.

NO. 5 R.C.A.F. DEPOT, MONCTON

Question No. 146—**Mr. Murphy (Westmorland):**

1. How many civilians are presently employed at No. 5 R.C.A.F. depot, Moncton, New Brunswick?

2. How many were employed as of November 1, 1956?

3. Has there been any reduction in staff since July 1, 1956?

4. Is there a proposed reduction in staff planned in the near future?

Answer by: **Hon. G. R. Pearkes (Minister of National Defence):**

1. 521.

2. 545.

3. Yes.

4. The number of civilians employed at national defence establishments is adjusted as required to meet changes in workload.

FRUIT AND VEGETABLE GROWERS, OKANAGAN VALLEY

Question No. 162—**Mr. Christian:**

What steps have been taken by the government since June 10, 1957, to help the fruit and vegetable growers of the Okanagan valley?

Answer by: **Hon. D. S. Harkness (Minister of Agriculture):**

Since June 10, 1957, the following programs have been inaugurated to assist fruit and vegetable growers:

1. On June 14 a fixed value for duty on the basis of minimum of 13½ cents per pound for imports of fresh strawberries with appropriate differentials for frozen strawberries became effective.

2. On August 12 agreements were signed by the Minister of Agriculture with the British Columbia Tree Fruits Limited to provide assistance under the Agricultural Products Co-operative Marketing Act for peaches, apricots and prunes.

3. On July 31 and on September 12 orders relating to the extension of powers in interprovincial and exports trade for the British Columbia fruit board and the British Columbia interior vegetable marketing board were approved under the Agricultural Products Marketing Act.

4. Arrangements were made to continue the allocation of £1,250,000 sterling for dollar purchases of apples.

5. General co-operation and assistance to the British Columbia government and growers' associations was continued through various branches and divisions of the dominion Department of Agriculture with special assistance being given to the royal commissioner at present conducting hearings and investigations into problems of the British Columbia fruit industry.

6. The Minister of Finance has referred fruit and vegetable tariff schedules to the tariff board.

ATOMIC ENERGY OF CANADA—ENGINEERING SERVICES

Question No. 126—**Mr. Fisher:**

1. What companies supplied engineering services to Atomic Energy of Canada Limited, during the fiscal years ending March, 1956, and March, 1957?

2. What was the amount, by company, of these services?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1 and 2:

LISTING OF COMPANIES SUPPLYING "ENGINEERING SERVICES" TO ATOMIC ENERGY OF CANADA LIMITED DURING THE TWO YEARS ENDED 31ST MARCH, 1957, TOGETHER WITH AMOUNTS PAID FOR THESE SERVICES

* Those marked with an asterisk include cost of manufacturing as well. No breakdown of these accounts to determine the engineering services component is possible.

Company	Description of work	Amounts paid		
		Year ended 31st March, 1956	Year ended 31st March, 1957	Total for 2 years
		$	$	$
Aeroprojects Incorporated	Ultrasonic welding of flux detectors	.....	540	540
Aluminium Laboratories Limited	Work on special aluminum alloys	16,816	.....	16,816
Aluminium Company of Canada Limited	Engineering development of extrusion cladding	45,580	47,484	93,064
American Machine and Foundry Company	Developing, designing and manufacturing of shut off rod control mechanism	32,009	11,940	43,949
Atlas Steels Limited	Rolling tests on zircaloy 2 metal	130	.....	130
Branson Instruments Inc	Thickness survey	340	.....	340
C. D. Howe Company Limited	Design and supervision of construction of NRU reactor as per contract dated 1st January, 1951	1,184,007	1,108,497	2,292,504
*Canadair Limited	Design and fabrication of pool test reactor and of Beta Ray spectrometer coils; design of vacuum chamber, etc	89,371	303,656	393,027
Canadian Aero Service Limited	Aerial land survey	2,304	.....	2,304
Canadian General Electric Co. Limited	Design of nuclear power demonstration reactor and engineering services dealing with pressure tube insulation	.....	445,874	445,874
Canadian Hanson and Van Winkle	Electroplating uranium flats	.....	3,665	3,665
Canadian Westinghouse Company Limited	Design and development work on loops for NRU reactor and research and development on beryllium	86,608	431,643	518,251
Computing Devices of Canada Limited	Development of 100 channel kicksorter	.....	41,825	41,825
Dobush and Stewart	Design of plant cafeteria and of decontamination building	3,512	31,545	35,057
E. B. Allen Inspection Limited	Inspection of certain development contracts	4,325	.....	4,325
Ecole Polytechnique	Elastic stress tests on calandria model	3,068	.....	3,068
Electronic Associates Limited	Development of halogen tubes	1,962	.....	1,962
Ferranti Electric Limited	Design and development of control equipment for NRU reactor and study of address selection for kicksorter system	98,875	314,259	413,134
Giffels and Vallet	Design of pool test reactor building, plutonium alloy fuel fabrication facilities, dissolver for radioactive materials, fuel element storage and handling facilities	18,802	65,703	84,505
*High Voltage Engineering Corporation	Design and fabrication of tandem van de Graaff accelerator	15,000	267,330	282,330
J. L. de Stein—J. O. McCutcheon, Consulting Engineers	Analysis of structural capacity of shielded rooms	178	.....	178
John Inglis Company Limited	Design and development of control rods for NRU reactor	277,213	63,897	341,110
M. H. Dineen and Associates Limited	Survey of water and sewage systems	1,911	2,940	4,851
Montreal Engineering Company Limited	Services relating to nuclear power plant feasibility study	2,841	.....	2,841
*National Carbon Company	Supply and machining of graphite	4,925	77,061	81,986
National Research Council	Design of control gear and test on Calandria Model	54,605	.....	54,605
Nuclear Metals Inc	Development of enriched fuel elements by co-extrusion	.....	18,950	18,950
Ontario Research Foundation	Water lubrication tests	7,438	.....	7,438
Permutit Company of Canada Limited	Water treatment	14,510	.....	14,510
Quann, Carruthers, King and Quan	Study of the ventilation of Chemical Engineering Building	2,768	.....	2,768
Racey, MacCallum and Associates Ltd	Inspection and quality control of components for NRU Reactor	556,557	458,574	1,015,131
Sorel Industries Limited	Design and development connected with control rods for NRU Reactor	13,278	.....	13,278
Standard-Modern Tool Company Limited	Design bar feed mechanism	901	.....	901
The Shawinigan Engineering Co. Ltd	Canada-India Reactor Project	132,743	551,728	684,471
		2,672,577	4,247,111	6,919,688

APPENDIX

ANSWER TO QUESTION ASKED BY MEMBER FOR KOOTENAY WEST

ASSISTANCE RENDERED TO UNEMPLOYED IMMIGRANTS

1. Emergency hospitalization or medical and dental care.

This assistance may be granted to immigrants while en route to their destination if, of course, they are without sufficient funds and lack the necessary assets to cover the cost involved. The Department of National Health and Welfare assumes the responsibility for the payment of the accounts of emergency hospitalization and for emergency medical and dental care. Hospital authorities, doctors and dentists submit their accounts to the authorizing immigration officer who certifies accounts and transmits to national health and welfare for payment.

2. Emergency transportation assistance.

This assistance is given as a means to ensure that immigrants are placed in gainful employment as quickly as possible following their arrival. It is extended to those who do not have sufficient funds to pay their transportation expenses to a suitable locale of employment. Emergency transportation assistance is requested on form Imm. 397 which indicates the transportation required and is presented to the transportation company. On receipt of the transportation company's invoice it is certified by the district superintendent or officer in charge and submitted to the chief treasury officer for payment to the transportation company.

3. Emergency food and shelter.

The department has authority to provide food and shelter for immigrants who, through no fault of their own, require such assistance during their first year in Canada. After the first year immigrants are normally eligible for provincial or municipal welfare assistance. Emergency food and shelter assistance is authorized in the form of a voucher on Imm. 428 and presented to the landlord or store by the immigrant. The landlord or store owner concerned certifies that the goods or services have been provided and returns the Imm. 428 together with the supporting vouchers to the immigration officer, where it is checked and certified and returned to the chief treasury officer for payment by cheque.

4. Medical-welfare agreements.

The federal government has concluded medical-welfare agreements with the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Newfoundland, and also the Northwest Territories. The agreements provide for welfare assistance in varying degrees, as well as hospital expenses, for a period of 12 months, to immigrants rendered indigent through accident or illness during their first year in Canada. The federal government has also concluded an agreement with the government of Nova Scotia which covers hospitalization and expenses incidental thereto. The federal government and the provincial government concerned share equally the cost of assistance granted under the terms of the agreements. The provincial health or welfare authorities are responsible for determining eligibility for assistance of any immigrant claiming aid under the agreements. Federal responsibility for the administration of the agreements is vested in the Department of Citizenship and Immigration, and the provincial governments submit their claims for one-half the expenses incurred to this department.

5. Family assistance.

Family assistance is a grant, on behalf of children (immigrants' or settlers'), and payable to their parents, designed to assist the family in becoming established during the first year after their admission or return to Canada for permanent residence when they are not normally eligible for family allowances. It is payable on behalf of children of immigrants and settlers (settlers include Canadian citizens and returning residents), legally admitted to Canada for permanent residence, provided they are not eligible for family allowances, and in the case of Canadian citizens and returning residents they have not previously received family assistance in respect of the child/children being applied for. It is payable at the end of each quarter, at the rate of $5 per month for each eligible child from April 1, 1956, or from the date of admission or return whichever is the later date, until a period of 12 months

has elapsed from the date of admission or return. Eligibility for payment lapses unless application for family assistance is submitted prior to the termination of one year's residence in Canada. It is not payable during residence outside of Canada. Application forms are available at immigration offices throughout Canada and are given to new arrivals at ports of entry. Family assistance cheques payable to the mother or guardian are issued by the chief treasury officer in quarterly payments.

6. Assisted passage.

The purpose of the assisted passage loan scheme is to assist suitable immigrants in financing the cost of their transportation to Canada. The loans are interest-free and are available to cover the cost of transportation for dependants as well as for the working head of the family in cases where this financial assistance is necessary, and also to residents of Canada who are anxious to bring their dependants, i.e. wives and unmarried minor children, to this country but do not have sufficient funds to cover the passage cost. Residents of Canada may apply at the nearest immigration office. Application may be made overseas at the Canadian immigration office in the country of the prospective immigrant's residence. Assisted passage loans are issued in the form of a transportation warrant Imm. 500 which are exchanged by the transportation company for steamship or air passage tickets which include inland transportation. The transportation company forwards to the chief treasury officer an invoice accompanied by the original Imm. 500 and is reimbursed by the chief treasury officer.

HOUSE OF COMMONS

Monday, November 18, 1957

The house met at 2.30 p.m.

NEW MEMBER INTRODUCED

Hon. Sidney Earle Smith, member for the electoral district of Hastings-Frontenac, introduced by Right Hon. J. G. Diefenbaker and Hon. Donald M. Fleming.

STANDING COMMITTEES

Mr. L. E. Cardiff (Huron) presented the report of the special committee appointed to prepare and report lists of members to compose the standing committees of the house, as follows:

AGRICULTURE AND COLONIZATION

Messrs:

Argue
Arsenault
Boucher
Boulanger
Bryson
Campbell (Lambton-Kent)
Castleden
Charlton
Christian
Dechene
Demers
Deslieres
Doucett
Fairfield
Forgie
Gardiner
Gingras
Gour
Grills
Harrison
Herridge
Howe
Huffman
Jones
Jorgenson
Kennedy
Laflamme
Lafontaine
Landry
Lavigne
Legare
Macdonald (Kings)
McBain
McLeod
McMillan
Menard
Michaud
Montgomery
O'Hurley
Olson
Pallett
Peters
Phillips
Proudfoot
Quelch
Roberge
Robinson
Schneider
Schulz
Simpson
Smith (Battle River-Camrose)
Smith (Lincoln)
Stanton
Stefura
Studer
Thomas (Middlesex West)
Thompson (Northumberland)
Tucker
Villeneuve (Glengarry-Prescott)
White—60.

(Quorum—20)

BANKING AND COMMERCE

Messrs:

Ashbourne
Bell (Carleton)
Benidickson
Blackmore
Broome
Brown (Essex West)
Cameron
Cannon
Cathers
Chown
Coates
Christian
Crestohl
Deslieres
Dumas
Ellis
Fraser
Gardiner
Henderson
Irwin
Johnson (Kindersley)
Jones
Lambert
Low
Macdonald (Vancouver-Kingsway)
MacEachen
Macnaughton
MacRae
Marler
Martin (Essex East)
Morris
Morton
Pallett
Pearson
Power
Quelch
Rea
Richardson
Robichaud
Rynard
St. Laurent (Temiscouata)
Sinclair
Stewart (Winnipeg North)
Stinson
Thompson (Northumberland)
Thrasher
Tucker
Villeneuve (Glengarry-Prescott)
White
Winkler—50.

(Quorum—15)

DEBATES

Messrs:

Beaudoin
Crouse
Ellis
Habel
Hansell
Hardie
Macquarrie
McPhillips
Meunier
Muir (Lisgar)
Robinson
Rouleau—12.

(Quorum—7)

EXTERNAL AFFAIRS

Messrs:

Aitken, Miss
Argue
Breton
Cannon
Cardin
Coldwell
Crestohl
Fairfield
Garland
Gauthier (Lake St. John)
Herridge
Holowach
Jones
Jung
Knowles (Winnipeg North Centre)
Kucherepa
Lennard
Low
MacEachen
Macnaughton
Macquarrie
Martin (Essex East)
McCleave
Nesbitt
Patterson
Pearson
Pratt
Rea
Richard (Ottawa East)
Sinclair
Smith (Calgary South)
Stick
Stuart (Charlotte)
Van Horne
White—35.

(Quorum—10)

INDUSTRIAL RELATIONS

Messrs:

Aitken, Miss
Barnett
Baskin
Beech
Blanchette
Brassard
Brown (Essex West)
Byrne
Cauchon
Chown
Deschatelets
Gauthier (Chicoutimi)
Gingues
Haidasz
Irwin
Johnston (Bow River)
Jorgenson
Knowles (Winnipeg North Centre)
Leduc (Verdun)
MacEachen
MacInnis
Maloney
Martin (Timmins)
Martini
McDonald (Hamilton South)
Mitchell
Muir (Cape Breton North and Victoria)
Murphy (Westmorland)
Ricard
Richardson
Small
Stanton
Thompson (Edmonton-Strathcona)
Vivian
Winch—35.

(Quorum—10)

Standing Committees

MARINE AND FISHERIES

Messrs:

Anderson
Arsenault
Ashbourne
Barnett
Bourget
Brisson
Broome
Bryce
Cannon
Carter
Crouse
English
Hahn
Haidasz
Hardie
Henderson
Howard
Irwin
Jung
Kirk
Lavigne
MacDonald (Antigonish-Guysborough)
MacEwan
McGrath
Montgomery
Murphy (Lambton West)
Noble
Patterson
Robichaud
Robinson
Schulz
Sinclair
Stuart (Charlotte)
Taylor
Thibault—35.

(Quorum—10)

MINES, FORESTS AND WATERS

Messrs:

Baskin
Blackmore
Coates
Dumas
Garland
Gauthier (Nickel Belt)
Hansell
Hardie
Hodgson
Howe
Leboe
Leduc (Gatineau)
Leduc (Verdun)
Lesage
Macdonald (Vancouver-Kingsway)
MacEachen
MacRae
McBain
McCullough
McGrath
McWilliam
Mitchell
Montgomery
Muir (Lisgar)
Murphy (Lambton West)
Nixon
O'Hurley
Peters
Raymond
Ricard
Richard (St. Maurice-Lafleche)
Simpson
Smith (Calgary South)
Stick
Winch—35.

(Quorum—10)

MISCELLANEOUS PRIVATE BILLS

Messrs:

Batten
Broome
Cameron
Carter
Cathers
Christian
Fairfield
Forgie
Garland
Hales
Hansell
Harrison
Henderson
Houck
Howard
Jorgenson
Kennedy
Kirk
Knowles (Norfolk)
Langlois
Macdonald (Kings)
MacInnis
Macnaughton
Mandziuk
Martini
McCleave
McCullough
McIlraith
McMillan
McPhillips
McWilliam
Milligan
Mitchell
Monette
Morris
Morton
Nicholson
Nixon
Noble
Olson
Patterson
Proudfoot
Rea
Regier
Roberge
Schneider
Smith (Simcoe North)
Studer
Thomas (Middlesex West)
Yuill—50.

(Quorum—15)

PRIVILEGES AND ELECTIONS

Messrs:

Aiken
Beech
Bourque
Bryson
Byrne
Campbell (Lambton-Kent)
Carter
Dechene
Deniset
Fraser
Houck
Jung
Leboe
McBain
McGregor
McIlraith
Meunier
Pallett
Peters
Pickersgill
Richard (Ottawa East)
Robinson
Rowe
Small
Thomas (Wetaskiwin)
Thomas (Middlesex West)
Valois
Vincent
Zaplitny—29.

(Quorum—10)

PUBLIC ACCOUNTS

Messrs:

Beaudry
Boulanger
Bourget
Breton
Bryce
Byrne
Campbell (Lambton-Kent)
Crestohl
Denis
Doucett
English
Fisher
Habel
Hales
Hardie
Houck
Kirk
Knowles (Norfolk)
Laflamme
Leboe
Lewry
Macdonald (Kings)
MacRae
Maltais
McGee
McGregor
McLeod
McMillan
Milligan
Morris
Morton
Murphy (Lambton West)
Noble
Pickersgill
Proudfoot
Regier
Roberge
Rynard
Smith (Simcoe North)
Stick
Stuart (Charlotte)
Thomas (Wetaskiwin)
Thomas (Middlesex West)
Thompson (Edmonton-Strathcona)
Thrasher
Tucker
Villeneuve (Glengarry-Prescott)
Wratten
Yuill
Zaplitny—50.

(Quorum—15)

RAILWAYS, CANALS AND TELEGRAPH LINES

Messrs:

Barbes
Batten
Begin
Bonnier
Blanchette
Brassard
Broome
Bryson
Byrne
Campbell (The Battlefords)
Chevrier
Crouse
Doucett
Dupuis
Ellis
English
Fisher
Forgie
Fraser
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Chicoutimi)
Grills
Harrison
Herridge
Holowach
Howe
Johnston (Bow River)
Kennedy
Lafontaine
Lavigne
Leboe
Lewry
MacDonald (Antigonish-Guysborough)
Marler
Martini
McBain
McGrath
McIvor
McLeod
McPhillips
Muir (Cape Breton North and Victoria)
Murphy (Westmorland)
Murphy (Lambton West)
Nixon
O'Hurley

Olson
Phillips
Rea
Rouleau
Small
Smith (Calgary South)
Smith (Simcoe North)
Smith (Battle River-Camrose)
Stanton
Stuart (Charlotte)
Taylor
Villeneuve (Roberval)
Vincent
Wratten—60.

(Quorum—20)

STANDING ORDERS

Messrs:

Aitken, Miss
Beaudoin
Denis
Dupuis
Hahn
Haidasz
Howard
Irwin
Johnson (Kindersley)
Loiselle
Michaud
Monette
Rochefort
Smith (Simcoe North)
Stinson
Thompson (Northumberland)
Van Horne
Villeneuve (Glengarry-Prescott)
Vivian
Winkler—20.

(Quorum—8)

POWERS OF COMMITTEES

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

That the standing committees of this house be severally empowered to examine and inquire into all such matters and things as may be referred to them by the house, and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

PRINTING OF PARLIAMENT

Mr. L. E. Cardiff (Huron) moved:

That a message be sent to the Senate to acquaint Their Honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that the following members, namely: Messrs. Barnett, Batten, Best, Blackmore, Boivin, Bonnier, Bryce, Campbell (Lambton-Kent), Castleden, Cathers, Coates, Dechene, Doucett, English, Gauthier (Nickel Belt), Gingras, Gour, Hales, Hansell, Harrison, Knowles (Norfolk), Kucherepa, LaCroix, Landry, Langlois, Lennard, L'Heureux, Loiselle, MacEwan, MacInnes, Maltais, Martin (Timmins), McGee, McIvor, McWilliam, Menard, Michaud, Montgomery, Muir (Lisgar), Muir (Cape Breton North and Victoria), Patterson, Phillips, Raymond, Regier, Rochefort, Rowe, Rynard, Schneider, Smith (Simcoe North), Thibault, Thomas (Middlesex West), Thompson (Edmonton-Strathcona), Wratten and Yuill, will act as members on the part of this house on the said joint committee on the printing of parliament.

Motion agreed to.

LIBRARY OF PARLIAMENT

Mr. L. E. Cardiff (Huron) moved:

That a message be sent to the Senate to acquaint Their Honours that this house has appointed Miss Aitken and Messrs. Anderson, Barbes, Beech, Begin, Best, Blackmore, Bourque, Castleden, Cathers, Coldwell, Deniset, Dinsdale, English, Eudes, Fisher, Habel, Henderson, Houck, Howe, Kirk, LaCroix, Lavigne, Leboe, Leduc (Gatineau), Lennard, MacEwan, Macquarrie, McGrath, McIlraith, Mandziuk, Nicholson, Nixon, Pickersgill, Ratelle, Robichaud, Rowe, Simpson, Small, Smith (Calgary South), Stefura, Thomas (Wetaskiwin), Valois, and Walker, a committee to assist His Honour the Speaker in the direction of the library of parliament so far as the interests of the House of Commons are concerned, and to act on behalf of this house as members of a joint committee of both houses on the library.

Motion agreed to.

PARLIAMENTARY RESTAURANT

Mr. L. E. Cardiff (Huron) moved:

That a message be sent to the Senate to acquaint Their Honours that this house has appointed Messrs. Best, Campbell (The Battlefords), Caron, Deslieres, Gour, Grills, Habel, Hales, Jorgenson, Kucherepa, McBain, McDonald (Hamilton South), McGee, McGregor, McIvor, McWilliam, Milligan, Robichaud, Smith (Battle River-Camrose), Stewart (Winnipeg North), Stick, Studer, Villeneuve (Roberval), and Yuill, a committee to assist His Honour the Speaker in the direction of the parliamentary restaurant, so far as the interests of the House of Commons are concerned, and to act on behalf of this house as members of a joint committee of both houses on the restaurant.

Motion agreed to.

THE GOVERNOR GENERAL

ANNOUNCEMENT OF CONTINUANCE IN OFFICE FOR FURTHER YEAR

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish to announce that Her Majesty The Queen has been graciously pleased to approve the continuance in office of Right Hon. Vincent Massey, C.H., as Governor General of Canada for a further and additional period of one year from the spring of 1958. This extension of the Governor General's term constitutes a recognition of the outstanding manner in which Mr. Massey has discharged the high responsibilities of the office, with which expression I am sure the Canadian people will be in agreement.

EXPORT CREDITS INSURANCE ACT

AMENDMENT TO INCREASE TOTAL OUTSTANDING LIABILITY

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 amend the Export Credits Insurance Act to increase from one hundred million dollars to two hundred million dollars the total liability that the corporation may have outstanding at any time under contracts of insurance which it is empowered to enter into under section 21 of this said act.

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, 1957, (b) all former P.F.A.A. inspectors re-employed since September 1, 1957, in the constituency of The Battlefords.

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.

Motion agreed to.

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.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, this is acceptable, subject to the usual reservation concerning the consent of the provincial government.

Motion agreed to.

NORTHERN ONTARIO PIPE LINE—TENDERS EAST OF LAKEHEAD

Motion No. 20—**Mr. Benidickson:**

For a copy of all correspondence between any association, person and company and members of the government and/or Northern Ontario Pipe Line Crown Corporation, from January 1, 1957, relating to requests for opportunities to submit tenders for construction work on the publicly financed section of the natural gas pipe line east of the lakehead.

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.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, having obtained the permission of the premier of Manitoba to the tabling of this correspondence, I have no objection to it being carried.

Motion agreed to.

[Mr. Churchill.]

PUBLIC BUILDING, PLESSISVILLE, QUE.

Motion No. 23—**Mr. Lafontaine:**

For a copy of all correspondence and telegrams exchanged with the Department of Public Works since July 3 last, concerning the proposed construction of a public building at Plessisville, Quebec, for which tenders were called and the contract was not awarded.

Motion agreed to.

AMBROSE TRUMAN-CHARLES KRATZMEIR—DISMISSAL

Motion No. 26—**Mr. Coldwell:**

For a copy of all letters, telegrams and other documents received or sent since June 10, 1957, by the Minister of Public Works or any other minister or any official of the Department of Public Works or other government departments, concerning the dismissal of Ambrose Truman and Charles Kratzmeir from employ in the Brantford post office.

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, there is no objection to this motion, subject to the usual reservation in the case of documents passing within a department or between departments.

Mr. Speaker: Is it the pleasure of the house to adopt this motion subject to the reservation stated by the minister?

Some hon. Members: Agreed.

Motion agreed to.

P.F.A.A. INSPECTORS, MOOSE MOUNTAIN CONSTITUENCY

Motion No. 27—**Mr. McCullough:**

For a return showing the names of (a) all persons recommended for P.F.A.A. inspectors since August 1, 1957, in the constituency of Moose Mountain; (b) persons submitting recommendations of persons for appointment as P.F.A.A. inspectors since August 1, 1957, in the constituency of Moose Mountain; (c) P.F.A.A. inspectors appointed since August 1, 1957, in Moose Mountain constituency, and (d) payments made to all P.F.A.A. inspectors in Moose Mountain constituency since August 1, 1957.

Motion agreed to.

ST. LAWRENCE SEAWAY—LAND EXPROPRIATIONS, INTERNATIONAL SECTION

Motion No. 28—**Mr. Chevrier:**

For a return showing the names of the individual owners expropriated by the St. Lawrence seaway authority under the terms of its statute together with a short description of the property expropriated, the amount of land taken and the compensation (including land, improvements, damages and of whatever other category it be) paid in such individual cases by the authority in (a) the Lachine section of the St. Lawrence; (i) as to Indian lands; (ii) as to other than Indian lands; (b) at Iroquois Point both in the town of Iroquois and in the township of Matilda, county of Dundas, in the international section of the St. Lawrence river.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I have spoken to the hon. member about this motion and my understanding is that he agrees to having the reference to Indian lands deleted from the motion. On that basis it is acceptable.

Mr. Chevrier: That is acceptable, Mr. Speaker.

Mr. Speaker: Does the hon. member have consent of the house to amend his motion?

Some hon. Members: Agreed.

Motion as amended agreed to.

TRANSPORT—LAND EXPROPRIATIONS, CORNWALL

Motion No. 29—**Mr. Chevrier:**

For a return showing the names of the individual owners expropriated by the Department of Transport together with a short description of the property expropriated, the amount of land taken and the compensation (including land, improvements, damages and of whatever other category it be) paid in such individual cases by the department in the city of Cornwall between the Queen's highway No. 2 and the Cornwall canal running north and south, and the international bridge and the nine mile road running east and west, in the said city.

Motion agreed to.

HUNGARIAN REFUGEES, ONTARIO

Motion No. 30—**Mr. Pickersgill:**

For a copy of all correspondence and other documents exchanged since June 21, 1957, between the government of Canada and any member or official thereof, on the one hand, and the government of Ontario and any member or official thereof, on the other, respecting any aspect of the reception, care, maintenance and settlement of Hungarian refugees.

Mr. Hamilton, Parliamentary Assistant, for the Acting Minister of Citizenship and Immigration: Mr. Speaker, this motion is acceptable subject to the usual reservation in dealing with exchanges with a provincial government.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the reservation stated by the parliamentary assistant?

Some hon. Members: Agreed.

Motion agreed to.

BRONSON AVENUE BRIDGE, OTTAWA

Motion No. 31—**Mr. McIlraith:**

For a copy of all correspondence and other documents exchanged between the Prime Minister or any minister of the crown and the city of Ottawa, since June 10, 1957, concerning the proposed new Bronson avenue bridge over the Rideau canal.

Motion agreed to.

Inquiries of the Ministry

CANADIAN NATIONAL STEAMSHIPS

GOVERNMENT POLICY RESPECTING VESSEL REGISTRATION—RETURN OF TRINIDAD CREWS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Minister of Transport a question. Has the policy of the government with reference to the transfer of registry of the Canadian National Steamships to Trinidad been altered, and will the minister tell the house why the aircraft carrying Jamaican crews to Montreal were instructed to turn back?

Hon. George H. Hees (Minister of Transport): In reply to the first part of the hon. member's question, I am not aware of any change of policy in this regard by the management of Canadian National Steamships. In answer to the second part of the question, the decision to turn back was one of the management of Canadian National Steamships.

[*Later:*]

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the fact that the two Trans-Canada Air Lines planes were chartered at rather high cost to the taxpayer for the transport of seamen from Trinidad to Canada, apparently to take over Canadian National steamships, could the minister give the house some information as to why this decision was made to turn back the flights?

Mr. Hees: Mr. Speaker, as I have indicated to the hon. member for Laurier, this decision was one taken by the management of Canadian National Steamships. If the hon. member wishes to ask the management of Canadian National Steamships what thinking led them to make this decision which they have taken, I would suggest he put this question to the management of that company when they appear before the special committee on railways and shipping owned, operated and controlled by the government.

Some hon. Members: Oh, no.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I would like to direct a supplementary question to the minister. This is to the government and not to the company. What labour organizations have protested to the government since the Minister of Transport announced his intention of permitting the crown company to transfer flag registry of these ships a week ago today?

Mr. Hees: The only labour organization of which I know that made a protest has been Mr. Hal Banks in person, who did so over television last Thursday night.

[*Later:*]

Mr. Byrne: I would like to address a supplementary question to the Minister of Transport. Does the minister think, with the use of public funds put into the hands of Canadian National Steamships, they have the right to make a decision while a plane is in mid-air or to reverse a decision without consultation with the Minister of Transport?

Mr. Hees: The management of the Canadian National (West Indies) Steamships is entrusted to the management of that company, and I feel sure the hon. member will have ample opportunity to question the actions of that company when the officials appear before the committee I mentioned a few moments ago.

Some hon. Members: Oh, oh.

Mr. Byrne: Was the minister advised in any way that these planes were going to be used for the purpose of bringing in strike-breakers from Trinidad?

An hon. Member: Who knows they were?

Mr. Hees: The answer is no, Mr. Speaker.

[*Later:*]

Mr. Chevrier: I do not want to pursue unduly the matter of steamships, Mr. Speaker, but in answer to the first question I asked in connection with the alteration of government policy, the minister said there had been no change in that policy, and I had understood from his statement some time ago that the government had approved of the transfer of registry.

My question now is, am I to infer from his answer that Canadian National Steamships will still pursue its policy of changing the registry of these ships from Canada to Trinidad?

Mr. Hees: As I answered the hon. member earlier, I have no information on any plan to change the plans announced last week by the Canadian National (West Indies) Steamships.

Mr. Chevrier: Your statement says it was approved by the government.

Mr. Hees: Well, Mr. Speaker, I think I have given a very clear answer.

[*Later:*]

Mr. Byrne: Mr. Speaker, I should like to direct another question to the Minister of Transport. Can the minister say whether Canadian National Steamships hired Trans-Canada Air Lines planes, or whether it was the new owners of the steamships?

Mr. Hees: It was Canadian National Steamships.

[Mr. Hees.]

Hon. James Sinclair (Coast-Capilano): May I direct a supplementary question to the Minister of Transport, based on his answer to the hon. member for Kootenay East suggesting that he should raise this question of the Canadian National Steamships in the special committee on railways and canals. How can the hon. member do this if the minister has not yet made up his mind whether or not a committee is going to sit?

Mr. Hees: Mr. Speaker, I said "when it does sit".

PIPE LINES

NORTHERN ONTARIO PIPE LINE—LETTING OF CONTRACTS TO U.S. COMPANIES

Mr. M. J. Coldwell (Rosetown-Biggar): May I direct a question to the Minister of Trade and Commerce. What steps does the government propose to take to prevent tenders for the trans-Canada pipe line construction from being called from a selected list, it is alleged, of 12 companies, eight of whom are United States companies, two subsidiaries of United States companies, and two presumably Canadian, when the financing is provided by the people of Canada?

Hon. Gordon Churchill (Minister of Trade and Commerce): I should like to thank the hon. member for giving me notice of this question. Tenders for the northern Ontario section of the all-Canadian natural gas pipe line are called by the Northern Ontario Pipe Line Crown Corporation and not by Trans-Canada Pipe Lines.

Tenders were invited from 11 companies, being all the companies at present operating in Canada who were deemed capable of undertaking pipe-line construction of the type required for the northern Ontario section. The area is divided into five sections, referred to by letters of the alphabet and known as spreads. Five contracts have been awarded. For spread V the contractor is Nelen Limited and Associates; for spread W, Morrison-Shivers Limited; for spread X, Majestic Contractors Limited; for spread Y, River Construction Corporation Limited; and for spread Z, Mannix Company Limited.

Mr. Coldwell: May I ask a supplementary question. Where are the head offices of these companies, or of any company of which any of them may be subsidiaries? May I say that this morning I sent the minister part of an article from the construction association bulletin in which it is alleged that there are several Canadian companies that can do this work equally well.

Mr. Churchill: I have not had an opportunity of reading that article, but I see it is here. My understanding is that of the five I have named, the Mannix Company Limited is virtually an all-Canadian company. The others originated in the United States but have offices established in Canada.

Mr. E. J. Broome (Vancouver South): May I ask a supplementary question of the Minister of Trade and Commerce. Is there a condition in the contract that Canadian labour is to be hired, and that the importation of labour from the United States must be restricted to those who have skills which are not available in Canada?

Mr. Churchill: I have not a sample of the contract in front of me, but I believe that to be the case. From information supplied to me, and from observations on the scene of the work which I made last September, I am aware that most of the labour on the pipe-line construction in the northern Ontario section is Canadian. It is only in certain specialized lines that skilled personnel from the United States are required.

Mr. W. M. Benidickson (Kenora-Rainy River): May I ask a supplementary question. Having in mind the fact that the Minister of Trade and Commerce answered verbally a question asked by the hon. member for Rosetown-Biggar, could I assume it is in effect an answer to question No. 138 on the order paper concerning a similar matter, which has been there for some time?

Mr. Churchill: That answer was ready for tabling last Wednesday, but we did not reach the questions. I have it ready for tabling today.

EXTERNAL AFFAIRS

NATO—INQUIRY AS TO DISCUSSION OF ARMS SHIPMENTS TO TUNISIA

On the orders of the day:

Hon. L. B. Pearson (Algoma East): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Before doing so, perhaps I may be permitted to extend to him my congratulations and good wishes as he enters the House of Commons and takes on a portfolio which, perhaps I am in as good a position as anyone to know, offers him new and enlarged opportunities to continue to serve the country, as he has already done with such distinction in war and in peace.

My question is whether the hon. gentleman can tell the house if the decision of the United States and the United Kingdom governments to send arms to Tunisia was discussed in the North Atlantic council before that decision was made public.

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, in the first place I desire to express to the hon. member for Algoma East my deep appreciation of, and gratitude for, his kind words of welcome. I wish through you, sir, to express to him the hope that I shall be a worthy member of this house, and indeed I declare my intention to do my best to live up to its high traditions.

I am indeed grateful, Mr. Speaker, to the hon. member for Algoma East for sending to me a copy of this question which, in effect, is: was there or was there not consultation within the NATO council before the United Kingdom or the United States took the action of sending arms to Tunisia. I have ascertained that the answer is no.

INCOME TAX

INQUIRY AS TO NEW EDITION OF BOOK ON PENSION PLANS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, may I direct a question to my friend and my enemy the Minister of National Revenue. In view of the fact that the minister's predecessor banned his own department's blue book entitled "Pension Plans for Income Tax Deductibility", first edition, as unfit literature for certain income taxpayers to read, and in view of the promise of the former minister that another edition of this booklet would be issued after further study of the objectionable paragraphs by his officials, would the minister inform the house when the second and expurgated edition of this blue book in question may be available for general use?

Hon. G. C. Nowlan (Minister of National Revenue): Mr. Speaker, I am sure the hon. gentleman realizes the attention which I pay to literature which requires censorship, and I presume that is why he has referred to this volume as an expurgated one. If it were expurgated I have not had the time to give the blue book the attention which I know the hon. member would expect me to give, but I have known that such a volume, expurgated or otherwise, has been prepared in draft form, is presently being considered by the officers of the department, will shortly be submitted to me and thereafter I will be able to answer definitely the question which has been put to me by my charming and gracious friend.

Inquiries of the Ministry

NEWFOUNDLAND

INQUIRY AS TO APPOINTMENT OF LIEUTENANT GOVERNOR

On the orders of the day:

Mr. L. T. Stick (Trinity-Conception): I would like to direct a question to the right hon. Prime Minister. When will the Prime Minister announce the appointment of a lieutenant governor for the province of Newfoundland?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I hope it will be the day after tomorrow.

POSTAL SERVICE

GRAND RAPIDS, MAN.—REQUEST FOR IMPROVEMENT

On the orders of the day:

Mr. William Bryce (Selkirk): Mr. Speaker, I would like to direct a question to the Postmaster General. Can the Postmaster General promise any improvement in the mail service at Grand Rapids, Manitoba, where they claim they only get mail every two months?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, the hon. member's question was somewhat more rapid in reaching me —I got it about an hour ago. The matter is now being looked into and every effort will be made, if the facts are as stated, to improve the situation.

ADMINISTRATION OF JUSTICE

SUPREME COURT OF CANADA—REPORTED WITHDRAWAL OF JUDGE FROM CASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Minister of Justice may I direct a question to the Prime Minister. Is the Prime Minister aware of the report that this morning in the Supreme Court of Canada the right of Mr. Justice Locke to sit on a certain case was challenged, and that Mr. Locke withdrew from the case? Has the minister any comment to make on what is reported to have happened, and could he say whether this is a precedent which might be followed in other courts in the future?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have no knowledge whatsoever of what the hon. gentleman has in mind. I have not heard any report in that connection; therefore I am not in a position to give any answer.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister if he does learn that the report is correct, will he make a statement on the matter tomorrow?

[Mr. Nowlan.]

NATIONAL CAPITAL PLAN

REPORTED ABANDONMENT OF PROPOSED GREEN BELT

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, may I direct a question to the Prime Minister based on a report which appeared in the Ottawa *Journal* on November 16. I may say I have not given him notice of this question, and if he wishes to let the question stand as notice I will be quite content.

My question is whether or not the government has decided to abandon plans for the proposed green belt around the national capital, or whether the government has made any changes in policy affecting the green belt and, if so, what are those changes?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the answer to both questions is in the negative.

DOMINION-PROVINCIAL CONFERENCE

INDIAN AFFAIRS—INQUIRY AS TO PLACING ON AGENDA

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a question to the Prime Minister. Are there any arrangements to place the matter of Indian affairs and dominion-provincial co-operation relating thereto on the agenda for the forthcoming dominion-provincial conference.

Right Hon. J. G. Diefenbaker (Prime Minister): No, Mr. Speaker.

[*Later:*]

Mr. Howard: Mr. Speaker, may I ask a question supplementary to the question I asked earlier of the Prime Minister about Indian affairs. Would the Prime Minister or the government look with favour on a request, if it were made, to place this matter of Indian affairs on the agenda of the dominion-provincial conference?

Mr. Speaker: The house does not concern itself with purely hypothetical questions, and I think this question comes in that category.

[*Later:*]

INQUIRY AS TO LETTER FROM PREMIER OF MANITOBA

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I could ask the Prime Minister if he has received a letter from the premier of Manitoba, which has been referred to in the press, regarding

the agenda of the federal-provincial conference and, if so, would he be willing to table the letter?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I will make inquiries. I have no recollection at the moment of such a letter, but if there is one it will be tabled.

TRANS-CANADA HIGHWAY

BRITISH COLUMBIA—INQUIRY AS TO EXTENSION ON VANCOUVER ISLAND

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, may I direct a question to the Prime Minister of which I sent him notice this morning. In view of the pledge to extend the trans-Canada highway to northern Vancouver island, made by the Progressive Conservative candidate in Comox-Alberni during the last election campaign, will the federal government proceed with the construction of this highway? Or will the Prime Minister propose this extension at the forthcoming dominion-provincial conference?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, the trans-Canada highway comes under the jurisdiction of the Department of Public Works, so perhaps I should answer this question. As the hon. member knows, this highway is being constructed as a joint venture between the federal government and the provincial governments. Any change in the terms of the agreements with the respective provinces would have to be made with the consent of both parties. As yet there has been no change made in the agreement with the province of British Columbia along the lines suggested by the hon. member.

FRUIT

APPLES—REPORTED IMPORTATION OF UNITED STATES CULLS

On the orders of the day:

Mr. F. C. Christian (Okanagan Boundary): Mr. Speaker, I would like to direct a question to the hon. the Minister of Agriculture of which I have given him notice. Has the Minister of Agriculture anything further to report to the house relative to the importation and sale of cull apples from the United States in Canada, and the steps being taken by his department to promote the sale of Canadian apples in Canada?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I should like to thank the hon. member for giving me notice of this question. The fruit, vegetables and honey regulations made under the authority of the Fruit, Vegetables and Honey Act makes the following provision with respect to apples being imported into Canada:

> Apples shall not be below the requirements of Canada commercial or "C" grade.

The regulations further provide:

> Importations from the United States of America may be considered in compliance with the foregoing if the accompanying United States government inspection certificate as endorsed by the United States inspector "meets Canadian import requirements" as follows: (a) apples shall meet the requirements of one or other of the following grades, namely, United States extra fancy, United States fancy, United States No. 1 or United States No. 1 cookers, of 2¼ inches minimum diameter or 234 box count size, and additionally the condition requirements of "Standards for Export" as defined by the United States Department of Agriculture—

Apples that meet the requirements for Canada commercial or "C" grade or comparable United States grade are not considered or classified as culls. Should it be found that after having entered Canada apples from the United States are below the certified or declared grade the importer or consignee is required to regrade the apples according to Canadian standards.

Recently two shipments of imported apples—and some apples given to me by the hon. member for Melville (Mr. Gardiner) came from one of these shipments—have been found to be below grade and have been placed under detention for regrading, but the inspection of imported apples from the United States indicates that the proportion of below grade apples is very small.

During the five crop years, July 1, 1952 to June 30, 1957, importations of United States apples into Canada averaged 744,000 bushels, while during the same period Canada exported to the United States an average of 1,493,000 bushels.

An hon. Member: Good Liberal policy.

Mr. Harkness: The Department of Agriculture is actively engaged in many ways in promoting the sale of all agricultural products, with particular emphasis on those which may be in surplus supply.

The 1957 Canadian apple crop is presently estimated at 13.4 million bushels, slightly lower than the 1950-1954 average of 13.6 million bushels. A sterling allocation of a dollar equivalent of approximately $3½ million has been provided for importations of North American apples into the United Kingdom, and it is anticipated that a satisfactory volume of Canadian apples will be exported under this allocation. In addition, a significant volume of Canadian apples is being exported to markets in western Europe. Exports to the United States may be expected to be in the

neighbourhood of 1½ million bushels. It would appear that there should not be any difficulty in disposing of this year's crop at relatively satisfactory prices.

TRADE

WHEAT—REPORTED USE OF ADDITIONAL MONEY TO FINANCE CREDIT SALES

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. Can the minister say whether he was announcing government policy when, according to a report of a statement he made in Winnipeg, he said that the $100 million to be voted by parliament as additional money for the Export Credits Insurance Act will be used at least to some extent to finance credit sales of wheat; and was the Minister of Northern Affairs and National Resources also stating government policy when, according to a press report, he said the availability of this money should result in credit being extended for the sale of 50 million bushels of wheat in 1958?

Mr. Benidickson: An extension of good Liberal policy.

Mr. Fleming: There is no such thing as good Liberal policy.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I have one or two press reports here which do not seem to coincide with the one which the hon. member has mentioned. I am therefore at a loss to answer his question; but the Export Credits Insurance Act has been used for some considerable time as an assistance to exporters who enter into trading arrangements concerning the sale of our wheat overseas.

Mr. Argue: Since the question of the press report has been raised, I wonder if I may refer, for the minister's benefit, to the issue of the Montreal *Gazette* of this morning, page 2, in which is stated, in a Canadian Press message from Winnipeg dated November 17:

> Mr. Churchill said Canada may come into sharper competition with the United States in the field of grain sales on credit as a result of action now being taken in parliament.

The article goes on to say:

> Mr. Churchill said the change will give the crown corporation more room to insure exporters against losses and may bring more Canadian action in the trend toward credit deals in wheat.

Was this statement made by the minister?

Mr. Churchill: Mr. Speaker, I have now discovered the press report to which the hon. member refers, and I notice that the second paragraph is in quotation marks as a statement of mine. The other statements are not in quotation marks, so I think the hon. member can hardly attribute them to me; they are an expression of opinion on the part of the reporter.

[Mr. Harkness.]

Mr. Argue: I wonder if I may ask a supplementary question. Has the government any policy for the extension of credit sales of wheat to match the new policy announced, according to the press this morning, by the United States Secretary of Agriculture, Mr. Benson, who is asking congress for another billion dollars for its surplus disposal program?

Mr. Churchill: The hon. member wishes to know if we have any policy with regard to extending our credit sales of wheat. The answer is yes, and I have stated that in the house on other occasions. I do not know what is so surprising with regard to that particular inquiry at the present time.

Mr. M. J. Coldwell (Rosetown-Biggar): If and when the minister receives a report from the trade commissioner at Hong Kong with regard to the latter's recent visit to China, will he also say whether or not credits will be extended to China if China requires them in order to buy Canadian wheat in 1958?

Mr. Churchill: Mr. Speaker, I will be glad to give the house a report when I receive one from the trade commissioner.

CANADIAN SURPLUS DISPOSAL PROGRAM—REQUEST FOR STATEMENT

On the orders of the day:

Mr. Jacob Schulz (Springfield): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. In view of the fact that the United States just announced their fourth surplus disposal agreement with Pakistan amounting to $53 million, which brings the total of such agreements between the two countries to $186 million, would the minister be prepared to make a statement to the house at this time as to what our government is doing with regard to disposing of our surplus agricultural products?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the hon. member for Springfield has referred to the United States disposal program as it relates to Pakistan. I am not at all sure whether that is an outright gift or a long-term arrangement or what it is, but only recently it was announced here in this house that we have made a gift of wheat to Pakistan which is very acceptable to that country.

Mr. Coldwell: A supplementary question, Mr. Speaker. Was the wheat proposal a gift or was it part of the Colombo plan?

Mr. Churchill: It was under the Colombo plan, actually, as a gift.

Mr. Coldwell: As a gift?

Mr. Benidickson: May I ask a supplementary question, Mr. Speaker. Is it a gift or is it something arranged to create counterpart funds?

Mr. Churchill: Counterpart funds—they might use them when they wish to. Insofar as Canada is concerned it was a gift under the Colombo plan.

Mr. Coldwell: It was part of the Colombo plan; that is the whole thing.

[*Later:*]

Mr. Schulz: Again I should like to direct a question to the Minister of Trade and Commerce, Mr. Speaker. I am not sure that he got my question last time. I was not particularly interested in the kind of deals he made with Pakistan, but with what this government is doing with regard to disposing of surplus wheat in general.

Mr. Churchill: If the hon. member will sit down I will answer. The hon. member wants to know what the government is doing with regard to disposal of our surplus wheat in general.

Mr. Argue: We have been trying to find out for months.

Mr. Marler: You won't know any more after this.

Mr. Churchill: I regret that I did not have the opportunity to make the speech I had prepared to deliver at the second reading stage of the cash advances bill; otherwise the hon. member would have had full information. But the most energetic steps are being taken to dispose of our surplus wheat. The wheat board representatives spent about six weeks in the United Kingdom and in Europe in an endeavour to promote sales of our wheat, and I was there for a part of that time with them.

An hon. Member: They did that last year.

Mr. Churchill: I think substantial results will come from that. Inquiries are being received from various countries in Europe and elsewhere with regard to the purchase of Canadian wheat, and I see no reason to doubt that we may reach an export total of 300 million bushels this year. If you add that to the home consumption of approximately 150 million to 160 million bushels of wheat, and then subtract from that total the production for this year, you will find that we should dispose of 100 million bushels of the surplus that was handed over to us when we took office on June 21.

Mr. Tucker: Because of a short crop; that is all.

Mr. Argue: Can the minister say whether any further negotiations are taking place between Canada and India for the supplying of additional quantities of wheat to that country because of the very widespread and disastrous famine conditions there?

Mr. Churchill: Mr. Speaker, we are aware of the difficulties that India is facing with regard to feeding her population. I do not think any questions should be asked, or answers expected, with regard to negotiations that may be going on at this moment with various countries of the world, because India is not the only country that is affected by a shortage of crops.

I assure the hon. member that we are just as anxious as he is with regard to assisting any country in need.

Mr. Victor Quelch (Acadia): May I ask a supplementary question. Is the government intending to go beyond the normal channels of trade in order to compete with the United States of America in the disposal of farm surpluses?

Mr. Churchill: I wish the hon. gentleman would explain what he means by "going beyond the normal channels of trade".

Mr. Coldwell: Accepting sterling.

Mr. Quelch: The United States of America is using the method of barter and also the method of accepting foreign currency, and these methods are beyond the normal channels of trade.

Mr. Churchill: The Canadian wheat board has been accepting convertible sterling for the sale of wheat. The wheat board has not proposed any barter deals, nor has it suggested accepting local currencies that are not convertible into dollars.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Strange as it may seem, it is on wheat.

In view of the television news service and press releases that on the return from a visit to China of ten days our trade commissioner reports that there is a strong possibility of sales of wheat to China next year, has the minister any additional information that he can give on that possibility?

Mr. Churchill: Mr. Speaker, I think this question, or one similar to it, was asked earlier today, and I said that when I receive

the report of the trade commissioner who has just recently returned from China I will be very pleased to apprize the house of the facts.

Mr. Coldwell: The minister has been asked a number of questions on wheat. I wonder whether he would be prepared to have that very good speech that he could not deliver some little time ago mimeographed and distributed to the house.

Mr. Churchill: I am continually flattered by the remarks of my hon. friend on my speeches. I just recently gave another one in Regina, my hon. friend's home town, which was very well received, and he is welcome to all my speeches.

Mr. Knowles (Winnipeg North Centre): Perhaps the minister should publish a book.

LABOUR CONDITIONS

ONTARIO—ASSISTANCE TO UNEMPLOYED WHO HAVE EXHAUSTED BENEFITS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Minister of Labour or the Minister of National Health and Welfare, or possibly both, whether in view of the fact that many unemployed workers have exhausted their benefits under the Unemployment Insurance Act, there is some reason for expecting that the province of Ontario is likely to accept the federal government's proposal for assistance to the unemployed in these circumstances under the public assistance act?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I am unable to give a categorical answer to the hon. member at this moment. I do not know what the intentions of the province are or whether it will accept the present formula.

Mr. Martin (Essex East): Perhaps the minister will permit a supplementary question—

Mr. Speaker: May I say it occurs to me that the question which the hon. member for Essex East has asked is not strictly in order, because it asks about the likely action of a government for which this ministry has no responsibility. I would ask the hon. member not to pursue this line of questioning in his supplementary question.

Mr. Martin (Essex East): Mr. Speaker, my question was based upon a reply which was given to me in writing some days ago as to the stage of negotiations reached between the two governments in this matter, and it was predicated upon the existence of correspondence between the government of Ontario and the federal government.

[Mr. Churchill.]

As the Minister of Labour knows, many people have exhausted their benefits—

An hon. Member: Speech.

Mr. Martin (Essex East): Perhaps the Minister of Labour would be good enough to take this very important question into consideration, because there are many people getting federal assistance, and I should appreciate it if he could give a reply tomorrow or later this week.

STRIKE OF RIVER PILOTS, KINGSTON MARINE DISTRICT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, could I ask the Minister of Transport a question. Is the minister aware that three foreign ships have rammed the locks of the seaway at Iroquois in the Montreal-Kingston pilotage area because according to officers—I take it of his department—they did not have pilots and caused considerable damage to the canal property as well as to themselves? Will he say whether there is any change in the negotiations between the officials of the Department of Transport and the pilots themselves? I will be glad to send this clipping over to him.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I am not aware of any change in the negotiations between our officials and the pilots. I was not aware that any ships had rammed this lock. I will look into it and give my hon. friend an answer tomorrow.

BRITISH COLUMBIA—REPORTED CLOSING DOWN OF HOWE SOUND COMPANY

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I am going to ask a question of the Prime Minister. Has the Prime Minister been advised that on the 19th of this month the directors of the Howe Sound Company are meeting in New York to consider whether or not to close the mine at Britannia? Has the Prime Minister been advised of representations of the union, and the view that all B.C. members in this house share? If so, is it possible for the Prime Minister to advise us at this time as to whether any action is being taken by this government to keep the mine at Britannia in operation?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as far as the first two questions are concerned, I have not that information; but I know the situation generally that prevails at the Britannia mine, and in order to secure certain information and also

ascertain what, if anything, can be done, the Minister of Justice (Mr. Fulton) is presently in British Columbia.

NEW WESTMINSTER, B.C.—LAY-OFF OF SHIFT ON DREDGE NO. 322

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. Is the minister aware that the Department of Public Works dredge No. 322 is laying off one full shift of crew members, effective November 30, in the New Westminster region? Would the minister indicate what is the purpose of the shut-down?

Hon. Howard C. Green (Minister of Public Works): May I take this question as notice, Mr. Speaker?

BUSINESS OF THE HOUSE

RAILWAYS AND SHIPPING—INQUIRY AS TO SETTING UP COMMITTEE

On the orders of the day:

Hon. George C. Marler (St. Antoine-Westmount): May I ask the Minister of Transport whether it is the intention of the government to set up a special committee on railways and shipping owned and operated by the government at the present session of parliament?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I will have to confer with my colleague, the leader of the house, on that matter, and answer as soon as I can.

THE BUDGET

INQUIRY AS TO PRESENTATION THIS SESSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. May I ask the minister whether his vision is good enough to see the banner headline of this issue of the Winnipeg *Tribune* of June 26, which reads: "Fall Budget to Slash Taxes"? I wonder, also, if his vision is good enough to see the smiling picture of himself in the left hand corner.

Mr. Sinclair: If the minister's vision is not good enough to see the paper held by the hon. member for Winnipeg North Centre (Mr. Knowles), he can look this way; this is the same one.

Mr. Knowles (Winnipeg North Centre): Based on this press report my question to the minister is this. In view of the definite statement outside the house that there would be a budget at this session to slash taxes, can the minister not now give a definite statement inside the house as to whether or not this action will be carried through?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, to the first question the answer is no, to the second question the answer is no, and to the third question the answer is that that information will be communicated to the house at the appropriate time.

Mr. Sinclair: He is learning.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if the minister's answer to the first question about his vision is "no", perhaps he had better see an eye doctor.

Mr. Benidickson: Smile, like in the picture.

GRAIN

WHEAT—ON-SITE STORAGE ERECTED BY FARMERS

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. In view of the fact that on-site storage for wheat owned by elevator companies and by individual businessmen has currently been approved by the wheat board, would the minister say whether an individual farmer or a group of farmers who are prepared to erect on-site storage of an acceptable standard would be given the same consideration?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I thank the hon. member for giving me notice of his question, the answer to which is as follows. The board of grain commissioners will only accept applications for on-site storage from licencees of the board. Such licencees must have adequate equipment, such as scales, to receive grain from producers and to issue the necessary documents. In other words, such on-site storage is regarded as an annex to the elevator licensed to receive grain at that delivery point.

THE CANADIAN ECONOMY

ROYAL COMMISSION ON ENERGY—INQUIRY AS TO COMMENCEMENT OF SITTINGS

On the orders of the day:

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, I would like to ask the Prime Minister a question with regard to the royal commission on energy. Last Thursday I asked him if he could say when the first sittings of the commission were likely to be

undertaken, at which time the Prime Minister replied, as reported at page 1106 of *Hansard* of November 14:

I will try and have that information for the hon. gentleman at the next session.

I am not sure whether or not he meant the next session, but could the hon. gentleman let us have the information today?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I will try to have that information at an early date.

Mr. Sinclair: That might be the next session, too.

PRIVILEGE

MR. MCIVOR—REFERENCE TO ARTICLE IN OTTAWA "CITIZEN"

On the orders of the day:

Mr. Daniel McIvor (Fort William): Mr. Speaker, I rise on a question of privilege for two reasons. On Friday a report appeared in newspapers across Canada commenting on the small number of members in the house; that is my first reason for raising the question of privilege. The other reason is that I am convinced that every member of parliament will either be in his seat or where duty calls him. I rise on a question of privilege at this time to state that one reason some hon. members were absent is explained by an article which appeared in the Ottawa *Citizen* of November 15, which says that 20 M.P.'s from Canada are now abroad and, Mr. Speaker, you would admit that even a member of parliament cannot be in two places at the same time.

Mr. Sinclair: Ottawa and Toronto.

Mr. McCleave: You've got 70 members missing today.

SHIPPING

NORTH SYDNEY—STATEMENT ON REPORTED DELAYS IN LOADING OF COAL

On the orders of the day:

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, on Friday last the hon. member for Grand Falls-White Bay-Labrador (Mr. Ashbourne) asked me the following question:

Will the minister please look into the matter of delays occasioned to vessels loading coal at North Sydney for Newfoundland, and see if these loadings can be expedited?

The answer is as follows. Due to a wildcat strike and the 'flu epidemic there was a drastic cut in production during the past month in the North Sydney mines, causing delays in loading schooners for Newfoundland and larger carriers to St. Pierre and Miquelon. A check last night revealed there were schooners capable of carrying 3,500 tons of coal waiting in or near the port loading facilities at North Sydney.

A meeting was held this morning in Sydney attended by Mr. MacDonald, recently appointed executive vice-president of Dosco, Mr. Harold Gordon, vice president and general manager, Dominion Coal Company, Neil McLellan, chief of transportation, Dominion Coal, Captain J. L. Gullage, expeditor for Newfoundland government and schooner operators, the mayor of North Sydney and some members of the board of trade, North Sydney.

The situation was thoroughly studied and discussed, with the result that another meeting will be held this afternoon or tomorrow morning between Mr. McLellan, his operating staff and Captain Gullage and the committee of schooner operators to work out shipping schedules which are aimed at bringing shipping time back to normal by or before the end of this month.

NORTHERN AFFAIRS

NORTHWEST TERRITORIES—REPORTED RAILWAY AND ROAD DEVELOPMENT

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Acting Minister of Northern Affairs and National Resources. Would the minister care to comment on the reported statement in this morning's press by the deputy minister of northern affairs and national resources that expenditures of $85 million for railway and development roads in the Great Slave and Great Bear lake areas are essential for development? Does this important statement constitute government policy for the expenditure of what is termed a "trifling amount" relative to the natural wealth to be exploited in this region?

Hon. D. S. Harkness (Acting Minister of Northern Affairs and National Resources): Mr. Speaker, I appreciate the fact that the hon. member has given me notice of this question. Unfortunately, I received it just as I was coming into the house; therefore I shall take it as notice. However, I would point out to him what I think he knows, that announcements of government policy are made only by members of the government.

WAR DEAD

GOVERNMENT CONTRIBUTION TO COST OF PILGRIMAGE OF MOTHERS

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, of which I have not given him notice. If it requires it, perhaps he will take this as notice. Has the Prime Minister received, as most members of the House of Commons have, a letter from the mothers of war dead, asking consideration by the government of a financial contribution to aid in the pilgrimage of the mothers of war dead to graves overseas; and is any consideration being given to this request?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have no knowledge of such a request but, as the hon. member has said, it can be taken as notice and I will have the matter looked into.

SUPPLY

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee of supply.

Mr. St. Laurent (Quebec East): Does the Minister of Finance not care to make a statement at this moment?

Mr. Fleming: No.

Right Hon. L. S. St. Laurent (Leader of the Opposition): From the supplementaries we have an indication of the additions to the original estimates that the minister wishes to have considered by the house, but he did give us some indication that there were in the other estimates items that he was not going to ask the house to give favourable consideration to, and there was the suggestion that perhaps he might have a list of those items prepared. It would certainly be a convenience, and it would probably make for a more expeditious consideration of the estimates, if we could have that information, if it were convenient for the Minister of Finance to have them tabulated so we could see what the general effect would be.

Perhaps when the minister closes the debate on the motion he might inform the house whether it would be possible for him to help us to that extent in the full consideration of the estimates.

I would like to make a brief statement about the attitude of the official opposition regarding this and the succeeding supply motions provided for by the rules. The house leader expressed the hope that it might not be necessary at this session to have six of those supply motions. We realize that this is not an ordinary session for which the rules were intended to have ordinary application.

In so far at least as the voting of supply is concerned, this is a continuation of the session that was interrupted by the general election. Except for the supplementary estimates, the other estimates are those which the preceding government recommended to the house at the last session of parliament and we would be quite prepared to facilitate their consideration. So far as the official opposition is concerned, we would be willing to forgo the right members have in ordinary session to six of these motions and we would even be prepared to agree to have all but one or two departments called when this motion is agreed to. The reserving of one or two departments would mean that there would have to be at least one other supply motion which would provide an opportunity to discuss whatever developments might have taken place in the meantime and would, I think, preserve the rights of parliament to retain such an opportunity for the voicing of grievances if they did arise.

With that reservation, we believe that the time of the house that can be devoted to motions to go into supply would be more profitably used in considering the estimates themselves than in a general discussion. That is all the more true in view of the fact that the time is now limited. The year for which these estimates have been prepared is well advanced and at a not too distant date we will be reaching the time when consideration will have to be given to the submission of estimates for the following year. I do not think it has ever been the experience of parliament to have two successive years' estimates under consideration at the same time.

For that reason and for the general reasons I gave when I spoke in the debate on the address in reply to the speech from the throne, the official opposition intends to offer no amendment to this motion to go into supply nor to support any amendment that may come from any other quarter. The reasons, I think, are obvious. There are only four more Mondays after this one before Christmas and though these motions do not, under the rules, have to be submitted on a Monday they are drawn in such a way that they envisage the use of the two first days of a week for the consideration of each one of these motions. If two days were taken to discuss each one that would take up so much time that the reason we gave for our stand on the address could not reasonably be expected to be implemented.

We felt it was the desire of the public that the government should have the opportunity to put before parliament the legislation it felt was required to implement such of its promises as, after its experience with the responsibilities of government, it feels can be implemented at this time. Although certain of these measures have been dealt with by the house, there are still others to come forward and we think it is in the public interest that there be a fair opportunity to have these measures brought before parliament to be dealt with and to be considered and disposed of.

Perhaps the leader of the house would also consider whether it would not make for the expeditious consideration of the estimates if an estimates committee was set up to which such departments as public works, northern affairs and transport could be referred inasmuch as there are many items of more particular interest to some members of the House of Commons than to others because of their local, immediate effect. That, it seems to me, would leave more of the time of the general committee available for the consideration of the portion of the estimates that are of more general application throughout the whole country.

I can assure the members of the government that, so far as consideration and disposition of the estimates are concerned, we are prepared to proceed in such a way as to leave the government a full and fair opportunity to have the house consider whatever legislation they feel it is their duty to submit in view of the campaign they waged. In order that such legislation may receive the consideration it deserves, we will be prepared to co-operate and to expedite the serious, businesslike consideration of the estimates so that the appropriation bills can be dealt with in the proper order and at the proper time.

Of course, we wish to reserve our right to criticize the present administration of government departments, but it will be our policy to expedite that discussion and to expedite the adoption of the items required to enable the government to carry on the business of the country without any impediment resulting from the fact that Christmas is coming upon us pretty rapidly, in fact at a rate as rapid as the shortening at the present time of the daylight hours.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we of this group have already demonstrated our readiness to co-operate in placing upon the statute books such important and beneficial legislation as has been introduced by the present government. We are also prepared to co-operate in the proper and expeditious consideration of the estimates that have been placed before this session of parliament. But, Mr. Speaker, we are not prepared to abdicate our role as an opposition party in this House of Commons. We believe that even in a parliament made up as this one is, where no party has a majority, it is still desirable in the interests of democracy that there be a government and an opposition. If my hon. friends of the Liberal party are not prepared to be that opposition, we are.

We are prepared when there are opportunities presented by the rules of the house to state our grievances and, if necessary, to divide the house on some of these matters particularly where we feel the present government is falling down. We are amazed at the suggestion that because Christmas is coming or because new estimates may soon be prepared for presentation to parliament the time should be curtailed for the consideration of $5 billion of public money which is before the House of Commons in the form of the present estimates.

Mr. Benidickson: That was not the point at all.

Mr. Knowles (Winnipeg North Centre): It may be argued by both the Conservatives and the Liberals that these estimates are those prepared by the previous government. Quite true. But it is also a true statement, it is also a statement of constitutional and parliamentary fact, that those estimates were presented to this session of parliament by the present Minister of Finance (Mr. Fleming). They are thus the present government's estimates. I know the minister made certain qualifications, but they are the present government's estimates. It is the present government that is administering the affairs of this country and is spending this money. We submit that members of parliament would not be doing their duty if they did not properly consider estimates involving this huge sum of money of the order of $5 billion.

We feel, Mr. Speaker, that these are important days in the history of democracy and that this is no time for an opposition in a democratic parliament to abdicate its function. I can assure you we have no intention of doing so. That is not to say we will delay unnecessarily the proceedings of the house. This does not mean we will not reach some compromise with the house leader in trying to arrange the business of the house. This does not mean that we are not prepared to surrender even perhaps some of our rights in view of the length of time that there is between now and next summer, shall I say, for two sessions of parliament. But let no

one imagine that we are going to surrender our rights in any wholesale fashion on these supply motions, nor are we prepared to agree, as the Leader of the Opposition (Mr. St. Laurent) was prepared to do, to cut down to two or three the number of motions for going into supply.

We are not prepared to agree, as he suggested, to the calling of all the departments but two or three when this supply motion is concluded. Already too many grievances have piled up since this government came into power for it to be suggested that only one or two supply motions might be moved at this session of parliament. As I say, we are prepared to discuss these matters with the house leader in the usual way. It is no secret that we have already been doing that. But we are giving our pledge to the Canadian people that in so far as it lies within our power there will still be an opposition playing its role in this democratic parliament.

HEALTH INSURANCE—FEDERAL PAYMENTS TO PROVINCES WITHOUT DELAY

Mr. Stanley Knowles (Winnipeg North Centre): I rise today, Mr. Speaker, on behalf of this group on this first motion for Your Honour to leave the chair for the house to go into committee of supply to state a grievance and to move an amendment. The grievance is one which has been apparent right from the day this session of parliament opened. As a matter of fact, it was the hon. member for Essex East (Mr. Martin) who got the floor just ahead of me and first drew attention to it on the second day of this session. It has become apparent to us that hon. members across the way, who last session were so keen on an early implementation of the Hospital Insurance and Diagnostic Services Act, are now stalling with respect to the implementation of that important piece of legislation.

Mr. Fleming: Nonsense.

Mr. Quelch: I rise on a point of order, Mr. Speaker. I think it has always been understood in this house that when a subject is introduced the discussion of that subject will continue before going on to another one. The Leader of the Opposition (Mr. St. Laurent) brought up the question of procedure, and he was followed by the hon. member for Winnipeg North Centre (Mr. Knowles). Now, the hon. member has left that subject and is going on to another one. I merely want to stress the point that if he moves an amendment now it should still be in order to deal with the question of procedure, which was first of all introduced by the Leader of the Opposition followed by the hon. member for Winnipeg North Centre, without any other person having a chance to discuss the same matter.

Mr. Pickersgill: Closure.

Mr. Knowles (Winnipeg North Centre): I believe it is quite clear, Mr. Speaker, that any other member would be able to comment on the question of procedure in the course of his remarks on my amendment.

Mr. Speaker: When the debate has shifted from one grievance to another there is some question about the possibility of an hon. member reverting to an earlier grievance. However, I do not consider the remarks about procedure to be a grievance. I do not think there will be any difficulty, when it comes time for the hon. member to deal with the question of procedure, certainly not from my present point of view.

Mr. Knowles (Winnipeg North Centre): Before the hon. member for Acadia (Mr. Quelch) rose on a point of order I thought I heard a suggestion from the front benches opposite that I was talking nonsense. We shall, of course, answer that charge by a number of references I shall be making to the record. Before I do so, perhaps in order to let the house know the terms of the amendment we propose to move, I might move it now. I may say that it spells out the grievance we have in mind and therefore I move, seconded by the hon. member for Assiniboia (Mr. Argue):

> That all the words after the word "that" to the end of the question be struck out and that the following words be substituted therefor:
>
> "this house is of the opinion that the government should consider the advisability of taking immediately whatever steps are necessary so that federal payments under the provisions of the Hospital Insurance and Diagnostic Services Act will be available without delay to any provinces with hospital insurance plans in operation, as a further step toward the achievement of a nation-wide health insurance plan based on federal-provincial co-operation".

In moving this amendment I want to make it clear that in our view the government has failed to take the steps that it should be taking to make sure that federal money will be available under the provisions of this act at the earliest possible date. Perhaps before I give the evidence as to the failure of the government to act on this important subject I should give hon. members a few interesting quotations from the record of the last session of parliament. This story of health insurance, and it is also true of hospital insurance, is of course a long one in the House of Commons and in the country generally. As a matter of fact, the Progressive Conservative party has had a fair amount to say about these matters for a number of years. I would say that for a few years they were a bit confused as to where they stood with respect

to health insurance, but last year when the former minister of national health and welfare brought in his bill No. 320, they gave it full support. They, as we did, sought amendments to it. They, as we did, moved amendments, but after the amendments were disposed of and we came to a final vote on third reading there was a recorded vote in this house and every member present voted for Bill No. 320 which is now chapter 28, I believe, of the statutes of 1957.

During the debate on that bill, and the resolution preceding it, hon. members who are now on the government side of the house took certain positions very definitely. In the first place, they wanted the legislation implemented as early as possible. They wanted these benefits to get to the provinces and to the Canadian people with the least possible delay. All of us who were here will recall the very valuable and helpful contributions that were made in that debate by our late good friend the then member for Lanark, Dr. Blair, who was the spokesman for the Conservative party on that occasion.

On March 25, as reported at page 2645 of *Hansard* when we were debating the resolution concerning this matter, the late Dr. Blair said this:

> For the past 12 years, on behalf of the Conservative party, I have advocated measures to benefit health conditions and care for the people of Canada. All political parties in this house have been in favour of such a measure. We may not all have agreed on the general form of insurance, but one point is clear, and that is that we all appreciate the fact that the public money that is spent on legislation to combat sickness, disease and misery, will pay high dividends in health standards and happiness of the people of our nation.

Later in that same speech, on page 2648 of *Hansard* for March 25, 1957, the hon. member said this:

> We regard the whole matter as of the most vital importance. This party is of the opinion that such a plan should be available to any or all the provinces.

Later, he said:

> If it is necessary now, let us put a plan into operation as soon as it can be done in an orderly way. Every month of delay is another month when we permit these discrepancies to exist.

In the same debate on page 2658 of *Hansard* the present Minister of Transport (Mr. Hees) is quoted, in the concluding paragraph of his speech, as follows:

> I end by urging the minister to waive this silly requirement of six provinces. Take five provinces, sign them up and let us get the whole matter under way without further ado.

That was the present Minister of Transport when he was on this side of the house. In the same speech he praised the part which Premier Frost had played in bringing the matter to a head and his whole plea was for immediate action to get this plan into operation.

A little later in the course of that debate a point of order was raised regarding an amendment to the resolution moved by the hon. member for Lanark, the late Dr. Blair, which was an amendment which would have removed the requirement that six provinces agree to the legislation before it could become effective. The validity of the amendment was challenged. Now, who spoke in support of the validity of that amendment but the present Minister of Finance, the member for Eglington. As one would expect, in the course of his remarks on the point of order he veered off from the point of order to the substance of the amendment and made it clear that the purpose of Dr. Blair's amendment was to accelerate the coming into effect of this legislation.

The contribution of the Minister of Finance will be found at page 2663 of *Hansard* for March 25, 1957. He thus joined with the others in making it clear that his party wanted to see acceleration—immediate action—to get the plan into effect with the least possible delay.

Well, that was at the resolution stage. When we got to debate in committee of the whole, after second reading, this plea for speed was made again. As a matter of fact there was an excellent demonstration of the desire of the house to get early action on this legislation evidenced by the fact that there was no debate at all on the second reading of that bill. The house was ready to give speedy passage to this legislation but, when we got into the committee of the whole on the clauses of the bill, the late Dr. Blair, again speaking on behalf of the Conservative party, said as is recorded at page 3099 of *Hansard* on April 4:

> At the resolution stage, I pointed out certain things with which we were not in agreement. However, we do welcome this bill and we want to see it in operation.

In that same speech at page 3101 the same member said this:

> If this bill is necessary at the present time, if it is going to help people, let there be as little delay as possible. Again I point out it is not necessary to have the six provinces, or a majority of the people agreeing to it to bring it into effect. Under these conditions the sooner we get this bill into operation in any province the better it will be. It is possible that when the bill is being discussed in the house we will make suggestions from time to time but we want to see this bill passed and the plan put in operation as soon as possible.

That was the whole tone of the remarks of my hon. friends opposite when they were on this side of the house: "Let there be no delay; let us get this legislation through and get it into effect." As a matter of fact the present Prime Minister himself got into the debate when we were at the third

reading stage, as recorded on page 3385 of *Hansard* for April 10, 1957. Here is what he said:

> Naturally we are very pleased with the legislation. I think a word of tribute is due to the premier of Ontario the Hon. Leslie Frost, who, at the last dominion-provincial conference demanded that the subject be placed on the agenda and ever since has applied pressure in order to achieve the legislation now before us,—

There you have it, Mr. Speaker; all of those who were on this side of the house and whom I have quoted—except Dr. Blair whom we do miss from this house—are now important personages in the government of today. You will note that when they were in opposition they were most insistent that what was most important about this legislation was to get it into operation at the earliest possible moment.

A second point which my hon. friends opposite made with respect to this legislation was that it should be changed so that it could be readily implemented. In particular they wanted a change in the requirement that six provinces agree to the legislation, as a specific way of getting it into effect without delay. All those who were here will remember the fight we of the C.C.F. put up on this score; they will know how time and time again we tried to get the former minister of national health and welfare to settle for four or five provinces; in fact we tried our very best to get five provinces accepted when he had five provinces representing the majority of the population of Canada. However, the point I am making today is that an equally strong fight was put up on this point by those representing the party now in power.

If I may again refer to the late Dr. Blair I would point out that on March 25 he moved an amendment calling for a change in the terms of the resolution which the former minister of national health and welfare had introduced. That resolution stipulated that a majority of the provinces, representing a majority of the population, had to agree before the plan could come into effect. The late Dr. Blair went further than we went; we were trying to get the six province requirement cut down to five but the late Dr. Blair, on behalf of the Conservative party, moved that the plan go into effect when any province had entered into an agreement. He reduced it right down to the singular in an attempt to persuade the House of Commons that the importance of this health legislation was such that it should be made available to the people of even one province if that one province was prepared to enter into an appropriate agreement. That amendment which was moved on behalf of the Conservative party is to be found on page 2648 of *Hansard* for March 25 of this year. I would remind hon. members again that on that point there was support from the present Minister of Finance. When the validity of the amendment was challenged, he made it clear that it was a major concern so far as his party was concerned to get rid of that six province requirement in order that the legislation might be made effective without delay.

As reported on page 3247 of *Hansard* for April 8, Dr. Blair when we got into the committee on the bill again moved that the appropriate clause be amended by reducing the requirement of six provinces down to five. In other words this Conservative party first tried to move that this legislation be made effective if one province agreed and, when they lost out there, they made a tactical retreat to a very sensible position, namely that it should become effective if five agreed. The late Dr. Blair was supported once again, as I have said, in that amendment by the Minister of Finance who was taking an active part in that debate, making it clear that the whole desire of the Conservative party was to get the legislation amended so that there would not be any roadblocks involved and so that it could be brought into effect and federal money made available to the provinces at the earliest possible moment.

When we got to clause 6 of the bill—that was the clause which had in it two subclauses and hon. members will recall that one of them was the six-province requirement—we tried to get a separate vote so that we could get rid of the second sub-clause. We lost out on that, but certainly it can be said that the Conservatives were as anxious as we were that the change should be made.

Then when we got to the third reading of the bill, two amendments were moved for reference back; the present Minister of Finance moved the second one, and I moved the first, which called for reconsideration of this clause that demanded that six provinces agree. The Minister of Finance and others in his party supported us in that amendment, and when the vote was called, as recorded in *Hansard* at page 3379 of April 10, we found that among those voting for our amendment to refer the matter back to committee and reconsider this clause were such persons as the present Prime Minister (Mr. Diefenbaker), the present Minister of Finance, the present Minister of National Health and Welfare (Mr. Monteith), the Minister of Trade and Commerce (Mr. Churchill), the Minister of Labour (Mr. Starr), the Secretary of State (Mrs. Fairclough), the Minister of Public Works (Mr. Green), the Postmaster General (Mr. Hamilton), the Minister of Agriculture (Mr. Harkness), the Minister of Transport (Mr. Hees)

and the senior Minister without Portfolio (Mr. Macdonnell). There you have 11 members of the present government, a majority of the present Conservative cabinet, who on April 10 of this year voted for an amendment to reduce that requirement of six provinces to something less, as a means of making it possible for this legislation to come into effect at the earliest possible moment.

At that time the premier of Ontario was saying that this was a ridiculous requirement, this requirement of six provinces. I might point out that he is still saying so, but in those days his view was being expressed here by those of us who were on this side of the house, by the Conservatives as well as by members of the C.C.F.

In summing up this part of my contention I would point out that there were three determined efforts made to get rid of this six-province requirement, one led by the C.C.F., one by the Conservatives, and one which was a joint effort. We failed on those three occasions because of the adamant position taken by the Liberals, but nevertheless the record shows that the Conservatives were just as anxious as we were to get rid of that requirement as a means of making it possible for this legislation to come into effect at an early date.

Then the same hon. members opposite had a third point which they made during the course of that debate, which was that the coverage of the legislation should be broadened. In particular, and they agreed with us in this, they felt it should be made to cover those in tubercular and mental hospitals; and hon. members opposite, led by the present Prime Minister, who asked questions about the matter on the orders of the day, supported by others, came back to this theme, as we did, again and again. As a matter of fact, in the speech which the Prime Minister made on third reading he said he welcomed the legislation and congratulated Premier Frost on having brought the matter to a head, but that he still hoped that in the end, before the legislation was made final, it would be broadened so as to include coverage for mental and tubercular patients.

On clause 2 of the bill, as recorded at page 3239 of *Hansard* of April 8, the present Minister of Finance moved an amendment to change the terms of that clause so that instead of tubercular and mental patients being excluded from the provisions of the bill they would specifically be included. Likewise, on third reading of the bill, after our amendment regarding the six-province requirement had been defeated, the present Minister of Finance also on April 10, moved another amendment to refer the bill back to committee of the whole for the purpose of broadening the clause which had to do with the extent of coverage, making it clear that the purpose of his amendment was to include mental and tubercular patients.

The present Minister of Justice (Mr. Fulton) was interested in the legislation, as well, and wanted the provisions to be broadened so as to include capital costs and depreciation as part of the shareable cost under the program. The present Minister of Agriculture made an interesting contribution to the debate with regard to the position of the Northwest Territories and, particularly, with regard to the position of Indians and Eskimos, making the point that it should be clear that they, too, were fully covered by the legislation.

In other words while there was the usual criticism which it is the right and duty of an opposition to make, though there were these amendments, and considerable discussion, the upshot of the whole debate as one remembers it, and as I have recognized again through reading it over the weekend, was that hon. gentlemen opposite wanted to see this legislation put into effect and its benefits made available to the people of Canada at the earliest possible moment.

Mr. Speaker, I now come to a fourth point which hon. gentlemen opposite made in the course of that debate. Perhaps they should remember some of the things they said, to which I will now make reference specifically, when they are a bit restive under some of the critical things now being said by such speakers as the hon. member for Essex East, the hon. member for Coast-Capilano (Mr. Sinclair) and others who have sharp tongues. Hon. members opposite kept making the point —and I will prove this by chapter and verse —that it looked to them as if the former Liberal government was insincere, as if the former Liberal government did not really want this legislation to become effective. They reminded the former government again and again, as we did, that this question had had a history dating back to 1919, and that it had taken 38 years to reach this point. They pointed out also that the government had put into the legislation certain "roadblocks" which led a number of important people opposite to believe that this legislation was just something intended for the election, something which the former government did not really want brought into effect.

I turn for a quotation in support of what I am saying first to the senior Minister without Portfolio, the hon. member for Greenwood (Mr. Macdonnell). I turn to the issue of *Hansard* of April 8. At page 3249 he said:

> Why does the minister feel it necessary to have his hands tied absolutely in case his optimism is not justified?

He was referring of course to the present member for Essex East who had said, with his usual optimism, that he would get seven provinces or more, and was sure that the six-province requirement was not a roadblock.

Mr. Pickersgill: He proved to be right.

Mr. Knowles (Winnipeg North Centre): The hon. member for Greenwood continued:

> The inference one would tend to draw would be that for some reason I cannot understand the minister does not want this thing to go through.

This is what a Conservative speaker said about the former Liberal administration, that is was insincere, that it did not want this hospital legislation to become effective. The hon. member for Greenwood continued:

> That is the inference a reasonable man could draw, unless the minister does what he has not done yet and explains that there is some reason in principle, a more effective reason, against now arming himself as the hon. member for Winnipeg North Centre indicated with a power or discretion so that if these other provinces do not come in within the next month or six weeks, the measure could still become law.

This is a reasonable man speaking, the representative for Greenwood, and he concludes:

> I repeat, unless the minister gives some reason for sticking to this, which he has not done, then the only inference I can draw is that for some reason that I do not understand the minister does not want this to go through.

That is a clear charge of insincerity against the former Liberal government by a Conservative member, who said that this legislation was just window dressing and that the government of that day did not intend to bring it into effect.

Mr. Martin (Essex East): And they were proved wrong.

Mr. Knowles (Winnipeg North Centre): And as recorded a few pages later the hon. member for Greenwood made it clear that this was not just something he had said by accident, for on page 3251 of *Hansard* he returned to the charge and said:

> I want to ask the minister once more whether he is going to answer the question I asked. If he does not, I want to ask him whether he can suggest to me any reason why I should not say, and say in public, that so far as I am concerned, I can only come to one conclusion, if the minister is not prepared to answer the question, that he does not wish this bill passed.

The hon. member for Greenwood was not alone in that suggestion that the former Liberal government was just indulging in window dressing. The present Minister of Finance had something to say along this line as reported at page 3248 of *Hansard* of April 8, 1957. These are his words:

> If the federal government had been more earnest in connection with this matter and had offered terms that were not so difficult for the provinces to meet, he certainly would have had the majority of the provinces before this time. If he really wishes to bring in the provinces, let him not insist upon such rigid terms.

There is an echoing of the words of the hon. member for Greenwood, the suggestion that if the former government was sincere in its desire to get hospital insurance implemented it could show that sincerity by cutting down on the rigidity of its terms. But let us not stop with the present senior Minister without Portfolio and the present Minister of Finance; let us see what the Prime Minister had to say on this point as to the sincerity of the present government.

Mr. Fleming: Present government?

Mr. Knowles (Winnipeg North Centre): I am sorry, I meant the former government. The sincerity of the present government—

Mr. Martin (Essex East): Can now be challenged.

Mr. Knowles (Winnipeg North Centre): —is now in question as well, but I shall come to that later. The present Prime Minister spoke just shortly before the debate on third reading concluded. I have already quoted part of what he said in which he welcomed the legislation and paid tribute to Premier Frost for having brought the matter to a head, but then towards the end of his remarks, as reported at page 3386 of *Hansard* of April 10, 1957, he said this:

> As I have followed the course of the legislation I have wondered sometimes whether the government really intended when it was introduced that it would go into effect, for the minister imposed a veto on its application by providing that a majority of the provinces in number and in population would have to join the scheme before the legislation would become effective. That I cannot understand. Why is there this departure from the provisions in the past for the bringing into effect of social legislation unless the reason for the imposition of the qualification in question—

Listen to this:

> —was the hope that the legislation could not or would not be implemented?

There, Mr. Speaker, we have three important ministers in the present cabinet, the senior Minister without Portfolio, the Minister of Finance and the Prime Minister himself, on record last spring saying that in their view the attitude of the former government in imposing these restrictions and in making it difficult for this legislation to be brought into effect was an indication to them that the former government was insincere, indulging in window dressing; that it really did not want hospital insurance to become part of the law of the land. These same hon. members I have quoted together with the Minister of Transport made it clear on several

occasions that in their view they were the ones who had fostered health insurance, they were the ones, led by Premier Frost, who had brought this matter to a head. All of this was designed to give the impression that if the Liberals were insincere and if the Liberals were just carrying on the long story that started in 1919, give the Conservatives a chance and something would be done. Well, what have they done?

Mr. Martin (Essex East): Nothing.

Mr. Knowles (Winnipeg North Centre): I thought I heard the hon. member for Essex East say, "nothing". If he did not, he certainly could have said it.

Mr. Martin (Essex East): That is what I said.

Mr. Knowles (Winnipeg North Centre): The hon. member is perfectly correct, they have done nothing. They have been in office since June 21. Plans have been made for a federal-provincial conference and hon. members are aware of the difficulty we have had getting statements as to whether or not the hospital insurance program will be discussed at that conference. We were told at first it would not be, and then we were told that it might be if ministers representing the provincial governments wished it to be discussed and when we asked whether the federal government would take the initiative in pushing this matter the reply was the same, "There is nothing standing in the way; the provincial governments can discuss this matter if they wish to do so". This is the kind of answer that is coming from hon. gentlemen opposite who said that my hon. friends in the Liberal party were insincere because they had put certain roadblocks in the legislation itself.

I point out there was no mention of the subject in the speech from the throne and there was very little mention of it in the official Progressive Conservative propaganda distributed during the election. In this respect we have something to say which is a little different from what we say with respect to many other items. In many instances we are asking the present government to implement the promises it made in the election campaign but so far as hospital insurance is concerned they were careful and cautious, relying on the impression they gave here last spring, the impression that they were the sincere ones, they were the ones who wanted something done. However, in the speech from the throne there was not a word about it nor has there been a voluntary statement on the matter by any minister of the crown since this house met on October 14. They have answered questions but it has been extremely difficult to get any proper answers to our questions on this subject.

We have ascertained by the questions we have asked that no agreements have been signed by any of the provinces although six appear to have indicated their agreement to go along with this plan and it may be that the correspondence with Manitoba amounts to the agreement of a seventh province. Nothing has been done about the contention of the Conservatives last spring that coverage should be extended to mental and tubercular hospitals nor has there been any suggestion that the legislation be amended to cut down the requirement of six provinces so the legislation might come into effect with fewer provinces signing agreements.

Perhaps the most ominous thing that has happened in connection with this matter is what I would refer to as a false interpretation that has been placed upon certain words in the act by the new Minister of National Health and Welfare. I confess that the minister did not take much part in the debate on this question in the last session; others of his colleagues were interested in health matters and he had other interests, but it does seem to me that he should have made himself fully aware of the background of the question I asked one day as to the difference between the words "in force" and "in operation". That background is extremely interesting and very significant. When the federal government made its proposals to the provinces in January last the paragraph having to do with a majority of the provinces representing a majority of the people agreeing to the plan ended up with these words:

—to take effect when the majority of provinces have such plans in operation.

The original proposal made by the former federal government was that what amounted to six provinces representing a majority of the people had to agree and those six provinces had to have their plans in operation before any money could be made available. Likewise, when the former minister of national health and welfare placed his resolution preceding the bill on the order paper on March 4, 1957, it read, as reported at page 1823 of *Hansard* of that date:

That it is expedient to introduce a measure to authorize contributions to be paid out of the consolidated revenue fund to provinces in respect of costs incurred by them in providing insured hospital and diagnostic services pursuant to provincial law and to agreements made in accordance with the said measure, to commence when at least six provinces, containing at least half the population of Canada, have entered into such agreements and qualified for the receipt of such contributions.

Now, Mr. Speaker, that was a confirmation of the original proposal that there had to be

what amounted to six provinces; that those six provinces had to agree to the proposal, and also that those six provinces had to have their plans in operation before any single province could get one dollar of federal money. Well, if the new Minister of National Health and Welfare does not know it, other Conservatives opposite do know that that was the cause of great concern to many people in this country who were interested in hospital insurance, and it was a cause of particular concern to their own Premier Frost of Ontario. Premier Frost said—I am paraphrasing his words, but I agreed with him 100 per cent and I still do—that it was silly and fantastic to say that no single province could get a single dollar until all six had their plans in actual operation. I think I am being fair to Premier Frost if I put it this way. He said on several occasions that that would mean that five provinces could go ahead and spend huge sums of money, put up the necessary buildings, get the bookkeeping machinery ready, get contributions started by the provinces, or by the people of those provinces, with a view to starting their plans on a certain day, but if the sixth province, say Prince Edward Island, did not have its plan functioning by that same date, then the other five provinces, even though they might represent the majority of the population of Canada, would not get a dollar of federal money.

Premier Frost characterized that proposal of the former minister of national health and welfare as silly, ridiculous and fantastic, and he was right. What happened, Mr. Speaker? We debated it in the house; we had questions about it time and time again, and I give full marks to the former minister of national health and welfare for meeting the objection, for changing the legislation. When the bill was finally brought down there was wording in it that was different from the wording in the resolution. It was different from the wording in the terms given to the provinces in January. There was wording that made it clear that the plan was to work in this way. As soon as six provinces had agreed to the program, and as soon as six provinces had their legislation on the statute books, in force, such as by being proclaimed, any one province which had its plan in operation would be able to draw its share of the federal money. As I say, that was made clear by the former minister of national health and welfare in the House of Commons on March 25, on page 2680 of *Hansard*. This is the way he put it:

> When we get to the bill we will be able to discuss it much more effectively. The answer is that there is a difference. In the original proposal we said that when six provinces representing the majority of the people had plans in operation the federal government would pay, but the plans had to be in operation. It is now proposed that once we have the necessary authority we will conclude agreements with at least six provinces. If those six provinces sign and if they have the necessary legislative authority to implement their various schemes, as some now have, and if the law with respect to those schemes has been proclaimed or otherwise in force, that will be sufficient. In other words we do not have to wait for them to be actually in operation. When we come to the bill my hon. friend—

He was referring to me.

—will have an opportunity to discuss this.

Then I said this:

> I thank the minister for that statement which is the most important one he has made all day. Is it clear that if six provinces have legislation in this field which has been proclaimed it will be possible at that moment for provinces having plans in operation to start drawing money from the federal government.
>
> Mr. Martin: With an agreement signed.
>
> Mr. Knowles: Good.

Mr. Martin (Essex East): That was evidence of sincerity.

Mr. Knowles (Winnipeg North Centre): I have already said that I give my hon. friend, the member for Essex East, full marks for having done something that governments do not like to do, for having made a change in the legislation from the time it was first drafted to meet a legitimate objection that had been pressed from the opposition side.

I would point out, Mr. Speaker, that that change was given statutory effect in section 6(2) of chapter 28 of the statutes of 1957, which reads as follows:

> No contributions shall be paid under this act until at least six provinces, containing at least one-half the population of Canada, have entered into an agreement, and the provincial law in relation to those provinces is in force.

Now, Mr. Speaker, there is all the difference in the world between a law being in force and a health insurance plan being in actual operation, and the former minister made it crystal clear that that was the significance of the change that the former government made.

May I point out to my hon. friends opposite, many of whom are lawyers and must know how these bills are drawn, that the fact that there is a difference between the words "in force" and the words "in operation" is supported by this, that in the very next section, section 7, there is a provision that the money will continue to be paid so long as the provincial plan remains in operation. In other words, to start getting the money all that is necessary under the act is for six provinces to have the legislation authorizing their plans in force. Then, the money is paid to any province that has a plan in operation but, of course, you have to

keep your plan in operation in order to continue to draw the money. But, Mr. Speaker, despite the fact that that was perhaps the major issue in months of consideration of this matter last spring, the Minister of National Health and Welfare rose in his place in this house on November 11, in answer to a question of mine, and said that his understanding is that "in force" and "in operation" mean the same thing. What a let down for Premier Frost, Mr. Speaker! What a let down for premiers of other provinces who counted on the terms of the legislation as it was passed last spring, counted on the statement made by the former minister of national health and welfare!

In our amendment, Mr. Speaker, we express the view that this government should take whatever steps are necessary so that federal payments under the provisions of the Hospital Insurance and Diagnostic Services Act will be available without delay to any province with hospital insurance plans in operation. What are the steps that the government should take? In the first place, since they already have the knowledge that six provinces have agreed, those six being British Columbia, Alberta, Saskatchewan, Ontario, Prince Edward Island and Newfoundland, we contend that they should make definite and positive efforts to get agreements signed with these six provinces. So far as I have been able to ascertain there has not even been a master agreement drawn that these provinces might sign.

Other steps that we think the government should take include an effort to win some of the other provinces. At the last session the Minister of Finance said that the former minister of national health and welfare might have got more provinces in if his terms had not been so rigid. I remind this government that the government of the province of Nova Scotia, which is headed by a Conservative administration, has been pleading with this government for information as to where it stands on the question of hospital insurance. The other day I referred to two letters, which are on the table of this house, from the health minister of that province, one in September asking where the government stood, and another in October asking for an answer to the letter of a month earlier. There is interest on the part of a government headed by a Conservative administration which might be turned into agreement to the hospital insurance plan, if only a little interest were shown here at Ottawa.

I submit that in Manitoba there is a new interest in this matter. I know that the government we have in Manitoba has taken a new interest in a number of matters since the 10th of June. The political climate has changed a bit. All right, let us take advantage of it. Here is a province which, until the 10th of June, was pretty cool to the hospital insurance legislation—now on the statute books—but which is now interested in it and yet despite its interest has difficulty in getting letters from the premier answered by the Prime Minister of Canada. There are at least two provinces other than the six which have already indicated their willingness to agree, that are showing an interest that might well amount to agreement. I think Mr. Speaker, it is pretty clear that it may not now be necessary to wipe out the six-province requirement because six, seven or eight provinces are ready to go along.

But what about this question of sincerity? My hon. friends across the way, speaking through the Prime Minister, the Minister of Finance and the hon. member for Greenwood (Mr. Macdonnell), charged the Liberals with insincerity, with not wanting the legislation to come into effect. What have they done about it since then? What have they done to try to get those provinces that are interested to sign agreements? What have they done in terms of saying to Premier Frost, who has a tremendous program to launch that will cost a great deal of money, that if by chance there are not six they will introduce the necessary amendment to the legislation so that they can get started with fewer provinces? They took that position last spring and they took it very strongly. As I have already said, they took it three times, once on their own initiative, once when they supported us and once when it was a joint effort.

If they are sincere, if they felt they had the right last spring to challenge the sincerity of the Liberals, I suggest it is time for them to say to the house and to say to the country: We are out to get six, seven or eight provinces to agree if we can but if we cannot do that we are going to ask parliament to amend the legislation so this important program can go into effect with even fewer than six provinces. I think, Mr. Speaker, that the Minister of National Health and Welfare or the Prime Minister should immediately clear up the confusion that was created when that fictitious interpretation of the words "in force" was given on the 11th of November. That has been a cause of concern to Premier Campbell of Manitoba, a cause of concern to Premier Douglas of Saskatchewan and no doubt is a cause of concern to Premier Frost, although I do not have a direct quotation from him on the point since November 11.

But I would point out that Premier Frost did have something pretty strong to say about this matter, as reported in the *Globe and Mail*

of Wednesday, October 30, 1957. Under the heading, "Frost Urges Repeal of Hospital Act Bar", I note this:

The federal government—

The reference now is to the Conservative government.

—was urged last night by Premier Frost to repeal the section of the hospital insurance act requiring that six provinces introduce plans before there is a federal participation in costs.

Mr. Frost described the requirement as fantastic and silly.

I agree with him that it was fantastic and silly when the previous government put it in the legislation. It is even more fantastic and silly for the present government to rely on something which they opposed with all their might and main.

He said that although six provinces, including Ontario, have indicated they wish to participate in a hospital insurance scheme, restrictions placed in the act by the Liberals are tying the hands of the Diefenbaker administration.

"Ottawa should throw out these restrictions and proceed on the basis of dealing with single provinces", the premier suggested. "If the act remains as it is we can go only so far. Ottawa should change the act so an effective date for starting provincial plans is established and leave it up to the provinces if they want to participate."

As the federal act stands now only four provinces—British Columbia, Alberta and Saskatchewan, which already have hospital insurance plans in operation, and Ontario, have met its requirements. Unless two other provinces adopt the necessary legislation, Ottawa cannot share costs.

In all other instances where costs have been shared, such as old age security, the federal government has dealt with provinces individually, Mr. Frost added.

"The departure from this established practice in the case of hospital insurance is a silly provision. It has no validity."

I agree thoroughly with what Mr. Frost said as reported in the press of that date. I agree with the position he took last spring. My hon. friends opposite agreed with him last spring. What are they doing about it now? It looks to us, Mr. Speaker, as though this legislation is one of the inheritances which is an embarrassment to my hon. friends opposite. Oh, they liked to talk about health insurance when they could kick the Liberals around for taking 38 years to do anything about it, but now they are in power what are they doing? Oh, I suspect that they realize that they are going to have to do something about it in due course. I suspect they realize they are going to have this legislation in effect by January 1, 1959, because Premier Frost has set that as the target date so far as Ontario is concerned.

I give full credit, Mr. Speaker, to Premier Frost. He was concerned, not only that the legislation be amended so that Ontario could count on the money when it had its plan ready but he was concerned that provinces like British Columbia and Saskatchewan, which already had plans in operation, might start right away to draw their share of federal money towards their plans. It looks as though the federal government now in power has decided that British Columbia and Saskatchewan will not get any money towards their plans which are now in operation until the last possible date, and that date has been fixed for them by the Conservative premier in Ontario.

I much prefer the view Premier Frost has taken throughout the piece. Yes, he is pressing for action in Ontario but he has also pressed the rights of the other provinces. His point in this press report is quite correct, that just as the federal government has dealt with the provinces individually with respect to other social security matters, so they should deal individually with the provinces on this important issue.

I suggest also that we have a right to be apprehensive about this matter because of certain editorials that have been appearing in some of the newspapers of the country, mostly the Conservative press but in some Liberal newspapers as well. I have in mind, for example, the Winnipeg *Tribune* of my own city which has cautioned the government to be careful about the Martin hospital insurance plan. In addition to that kind of thing, we have this book which was sent to all members of parliament, I presume, entitled "Underwriting Canadian Health, An Economic View of Welfare Programs", prepared at the request of the Canadian Chamber of Commerce. We all received copies of this book with a covering letter written by the general manager of the Canadian Chamber of Commerce in Montreal. It is a book that accepts the fact of welfare programs, including health and hospital insurance, but cautions the country against going too far.

In other words, Mr. Speaker, there are forces at work on the Conservative government of the day suggesting that they have to be careful about the welfare state, careful about welfare programs, careful about getting too deep into health or hospital insurance. With voices of that kind getting, as I have no doubt they are, the ear of the Conservative government, I think we have reason to be apprehensive whether or not early action is going to be taken to bring this important piece of legislation into operation.

Hon. members know where we have stood across the years. We have contended that there should be a nationwide program of health insurance with provision for provincial participation and administration. We have moved amendments to that effect in this

house time and time again. Hon. members know that we want and feel that the Canadian people are entitled to much more than just hospital insurance. We feel that the day must come in this country when the care of the health of our people is on the same basis as education, available to all our people according to their need of that care rather than to the length of their purse. We shall continue to press forward towards the realization of a full health insurance program for the Canadian people.

We recognize that what we are pressing in this amendment is only for one step in that direction, but it is an important step. We contend that it is a betrayal of the Canadian people to have even as much delay as has taken place so far as this legislation is concerned. It was put on the statute books last April. Before the spring was out we knew six provinces had agreed. We had the story in the last session of parliament of the Conservative members fighting for this legislation to be put in a form so that it could be implemented early. We think we have the right, on behalf of the Canadian people, and we do it on this motion to go into supply, to demand early action on this important matter. My friends opposite condemned the Liberals for having made an election issue out of health insurance for seven or eight elections. They condemned them for having taken so long, from 1919 to 1957, to reach the point of presenting the Health Insurance and Diagnostic Services Act to parliament. They condemned them for playing politics with health insurance, and particularly with this hospital insurance legislation. But it looks to us, Mr. Speaker, as though that is exactly what this government is now doing, toying with it, stalling and trying to find new interpretations of certain words in the act; leaving it to the provinces. They are doing nothing that is consistent with the aggressive battle that they waged here last spring.

The Conservatives condemned the Liberals for having made health insurance an election issue on a number of occasions, but it looks to us as though they are planning for this to be one of the issues in the next election whenever it comes. We are quite prepared to have health insurance or even the implementation of this hospital insurance legislation made an election issue. But we want something better than just the right to fight it out at an election, which we are prepared to do from the Atlantic to the Pacific. We want action on it, and we contend that the Canadian people are entitled to that action now. That is the purpose of this amendment, to ask this house to tell the government to stall no longer but to take immediately whatever steps are necessary so that federal money will be available to provinces like British Columbia and Saskatchewan that have plans already in operation, and to the other provinces as rapidly as they bring their plans into effect.

[Mr. Knowles (Winnipeg North Centre).]

Therefore, Mr. Speaker, as I have already indicated I place before the house the following amendment, seconded by the hon. member for Assiniboia (Mr. Argue):

That all the words after the word "that" to the end of the question be struck out and that the following words be substituted therefor:

"this house is of the opinion that the government should consider the advisability of taking immediately whatever steps are necessary so that federal payments under the provisions of the Hospital Insurance and Diagnostic Services Act will be available without delay to any provinces with hospital insurance plans in operation, as a further step toward the achievement of a nation-wide health insurance plan based on federal-provincial co-operation."

Mr. Speaker: The question is on the amendment, but before any other member rises, perhaps we could follow the practice in similar debates of disposing of one grievance at a time, since that tends towards the orderly discussion of the grievances. In fact, there is a precedent for the point of order which was raised by the hon. member for Acadia (Mr. Quelch) that after this grievance, for example, has been superseded by another subject, a member would be out of order in returning to this question which has been proposed by the hon. member for Winnipeg North Centre (Mr. Knowles).

Under these circumstances, therefore, if hon. members who wish to speak on this grievance would now rise, that would meet the rules and practices in debates on supply motions.

Mr. F. G. J. Hahn (New Westminster): With reference, Mr. Speaker, to your earlier ruling concerning the matter of procedure and the fact that we would be permitted to put forward our views on this question, may I do so now? I intend later, of course, to deal more specifically with the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles). With reference to the procedure, may I say that we in this group are not too happy to see the number of supply motions reduced, particularly since it was suggested also that the number of private members' days might likewise be reduced in order to complete the work of the house before Christmas. We are not particularly happy about the situation because we recognize that, to a degree, it means the termination of the supremacy of parliament.

Private members' days are the only opportunities afforded members to bring forward particular problems and grievances relating to their own ridings and to the nation as a whole. We are, therefore, rather reluctant to go along with the idea, although we do under the circumstances, fully realize that there is a difficulty at this time. This session of parliament, which is generally called the special session, has been called for the express purpose—I am not sure whether or not the express purpose is the immediate calling of an election—of introducing legislation that would appeal to the public. I would say, however, it is desirable legislation, and we have supported it.

However, we would look forward to the presentation of a budget before such a decision were made so that the people of Canada could decide for themselves whether or not we are in a position to expend $5 billion each year; whether we are going to be half a billion dollars in the red because of these particular expenditures or whether we can afford them. That is all I have to say with reference to procedure. We will go along with the idea provided we can see that the rights of the nation are protected and particularly that the rights of parliament are always protected in the future.

With reference to the amendment moved by the hon. member for Winnipeg North Centre, I find it rather difficult to understand. As I interpret it, and my interpretation might be wrong, it reads thus:

—the government should consider the advisability of taking immediately whatever steps are necessary so that federal payments under the provisions of the Hospital Insurance and Diagnostic Services Act will be available without delay—

I will not read the rest of it because it is that part which causes me some concern. As I interpret it, we are asking the government to accept the advisability of taking immediate steps to do certain things in respect of the act itself. I would suspect that the first thing the government would do would be to point out that the government is taking certain steps at this moment. The government has called a dominion-provincial conference and has invited certain representations from the various provinces. The government has indicated to those provinces that they are prepared to discuss the hospital insurance plan.

Under these circumstances it does seem to me that there is some redundancy in the amendment itself. If the government, of course, is not prepared to carry on and discuss hospitalization with the provinces then it is a completely different matter. One must, I know, really search to glean information on these things. It does take a considerable amount of reading and thought in an endeavour to discover exactly how the government feels with respect to discussing this problem.

Possibly the minister will be in a position to tell us more about it when he again takes his turn in this debate, as I trust he will, and will explain to us that the government is going to meet with the provinces to discuss this very problem, in which case this amendment of course would be meaningless because there could be absolutely no need for it as far as I can see. The government would have taken some action towards implementing this proposal.

This is a very important amendment, however, because it raises a problem which certainly has been discussed prior to the election, and is still being discussed today in my own province. I am sure the same is true in any other province having a hospital scheme in operation or, not having such a scheme in operation, having set up the machinery to put it into operation. It is important to the provinces to understand why the rules of the game have been changed.

For instance there is the interpretation placed upon the act, or a certain section of it, as was so well pointed out by the member who introduced the amendment. We should know why that particular rule has been changed. The implementation and bringing into force of this scheme is most important in my own province. We have in that province a hospital scheme which has been in operation for some years; we have certainly benefitted from the knowledge gained over those years and it does seem to me that if this scheme were made usable or operational at a very early date, before the six provinces set up their own schemes, then other provinces would gain from what we have learned in respect to the operation of the dominion-provincial scheme.

For this reason I very much favour the sentiment expressed in the amendment itself, as do all the members of this group. We are satisfied that this will probably bring to the attention of the government the need to do something more explicit, for instance by making it a point of discussion between the two levels of government in this country so that something definite can be done towards the implementation of the scheme itself across the nation.

Now with respect to the remarks made as to the sincerity of the government with respect to the setting up and putting into operation of this scheme, we can say all we like about the insincerity of the former government, but nevertheless the fact is that the act was brought into being by that

government. The Conservative government of today, which complained so bitterly of the insincerity of the former government, is I would say just as guilty unless it changes its attitude in respect to implementation as quickly as possible. This point has been raised not only in the current session but also in the last session of parliament. I remember that so distinctly—as I am sure every hon. member who was in the 22nd parliament will remember without the necessity of referring to *Hansard* to prove the point. The Minister of National Health and Welfare (Mr. Monteith) must also well recall that time and time again members from all parties doubted—possibly the Liberals did not doubt it too much—the sincerity of the government of that day with respect to this legislation. For that reason, the only way this government can prove that they are completely sincere with respect to this matter is to put it into operation in those provinces which have had the experience of running a hospital scheme. These provinces include Saskatchewan, Alberta and British Columbia.

From that experience the federal government and other provincial governments would gain sufficient knowledge so that the rough spots could be ironed out and those provinces which are thinking of setting up their own schemes would be in position to determine exactly what form of premium collection should be adopted and to deal with other small problems which might arise.

It is an acknowledged fact in my own province that we collect our premium in a different fashion from the province of Saskatchewan for example, which I understand has a yearly premium much the same as used in respect of ordinary insurance. We have a 2 per cent sales tax which goes towards paying for the hospital scheme. Now certainly it should be beneficial to a province which is deciding to enter this scheme to have an opportunity of choosing which of these schemes they prefer, rather than being forced to make an initial choice and probably losing a lot of money for the taxpayers because of inefficiency which might creep in as a result of inexperience.

In my own province for instance it is a recognized fact that we began with the collection of premiums, just as is the case of Saskatchewan today, but we found it undesirable to carry on in that way because it did not apply too well in our case. It was difficult to collect premiums; we did not have the same security for collection as did the province of Saskatchewan because more people moved about from job to job. We ran into many other difficulties when for instance we found an individual who, having moved from one job to another thinking that his premium was paid, found that he did not have his insurance paid after all, and was therefore not eligible for hospital coverage.

Now it is true that these are small problems, comparatively speaking, but nevertheless they are an indication of the type of thing which must be met in each province and which that province's government must be prepared to act upon before setting up its own scheme. I would ask the minister to consider this question when he answers to the amendment and possibly confirm that this is a matter which is going to be placed before the dominion-provincial conference to be discussed at that time. In such a discussion it will make it possible for these provinces, by bringing out a few points, to come to a definite understanding as to when and how this scheme shall be put into operation.

My own thought on this subject, and I am satisfied that the members of this group concur in this viewpoint, is that the best way of dealing with the matter would be similar to the application for unemployment insurance when in the early stages we made it applicable on a certain basis to only one particular province. I think that was true of the logging industry in British Columbia. We had one province come in, and on the basis of the experience gained in its operation there we broadened it out as the years went on.

I do not think it is healthy for the people of this country to feel that either the present government or the former government is lacking in sincerity, or that their members of parliament are not sincere in bringing forward their suggestions. I am satisfied after listening to the representations which have been made in the past four years from the four parties in this house, including our independent members, that there is a particular desire to put a national hospital scheme into effect, and that such a scheme should be brought into being as quickly as possible so that all provinces may benefit from it.

Mr. Speaker, I have nothing further to add at this time, except that I hope the minister will take this whole question under advisement, and let us know in due course during the debate whether the government has changed its mind.

(*Translation*):

Mr. Rene Begin (Quebec West): Mr. Speaker, I wish to take advantage of the amendment now under consideration to say a few words about hospital insurance.

Representing as I do a constituency made up mostly of workers, I am very much interested in the adoption of legislation which came so near being passed under the Liberal government, and more particularly under the able sponsorship of the former minister of national health and welfare (Mr. Martin).

All members of the house will admit that illness is a luxury. All those who represent constituencies like my own know how many people come to them and say that they cannot afford to pay their hospital and medical bills. Illness is indeed a luxury. I could quote from memory hundreds of names of men, women and children who would need hospital care but who cannot afford it.

I therefore urge the government to implement as soon as possible this national welfare measure, and I would remind them that a young and prosperous country's greatest asset is its manpower. I do not object to the principle of the legislation, but I submit that for the middle class it would be beneficial legislation. People who have the wherewithal can get proper medical and hospital care; so can the completely destitute, but not so the middle class person of limited means, who has to pay all along the line, and this is rank discrimination. Without any partisan bias, I hope that we will very soon be in a position to endow this country with this magnificent piece of legislation.

(Text):

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I rise to support the amendment which has been moved by the hon. member for Winnipeg North Centre (Mr. Knowles). I have always taken a great deal of interest in the question of health insurance and hospital insurance and I should most certainly like to add my word in support of an amendment which asks for action now, during this present session.

However, before making my comments I should like to say a few words with regard to remarks made by the hon. Leader of the Opposition (Mr. St. Laurent) and the hon. member for New Westminster (Mr. Hahn) who, I regret, is not in his place at the moment. Both these gentlemen began their remarks by dealing with the question of procedure, and the time available in the house this session. Mr. Speaker, I should like to make it exceedingly clear, as our party has done every since the house opened, that we are most desirous of co-operating at all times with the government with regard to the introduction of beneficial legislation, and in respect to speeding the work of parliament. We have also made it clear that we believe in principle in the supremacy of parliament and not just in giving lip service to the expression.

Mention has been made both by the Leader of the Opposition and by the hon. member for New Westminster of the hope of getting to our homes by Christmas. It has been my privilege always to have been home at Christmas during the 50 years of my life, and I certainly look forward to being home this Christmas, but I personally—and I know I am speaking on behalf of this group—do not place being home at Christmas before our responsibilities as members of parliament and before doing the job for which we are being paid.

Mr. Blackmore: Very likely nobody else in the house does.

Mr. Winch: I hear words but cannot make sense of them—

Mr. Blackmore: They were words with too much sense.

Mr. Winch: If the hon. member says it is good sense, then I am glad to agree with him, and I apologize if I did not understand what he said.

We have heard a great deal from the government side about the supremacy of parliament. That includes the bringing up of grievances, and it also means the discussion of estimates. I hope we can be home by Christmas, but only if the working of parliamentary democracy says we can. Not one of us was forced to run for parliament, and having done so and been elected, let us do our job.

On the amendment itself, may I say I am sure all members will agree that this is a matter of importance because it deals with a subject which, I am convinced, is uppermost in the minds of the majority of the people of this country. In broad principle, this is a question of health insurance; more narrowly, it is a question of hospital insurance. The hon. member for Winnipeg North Centre has placed on record the attitude and opinions of leading members of the present government as shown and expressed at the last session which was held this year with regard to hospital insurance. It is obvious that at least until this amendment was proposed neither the hon. members of this house nor the people of this country knew what was in the mind of the government as far as the implementation of hospital insurance legislation is concerned, as placed on the statute books last session. From the answers we have received to various questions which have been asked since the house met, and from statements made by cabinet ministers outside it would

seem a reasonable conclusion that the government has either not yet made up its mind what it is going to do about hospital insurance, or that it has no intention of doing anything about it at all.

As I have said, Mr. Speaker, I agree completely with the remarks made by the hon. member for Winnipeg North Centre; as a matter of fact, he did a masterful job. But strange as it may seem, I want to go a bit further than he did in making a direct statement and I hope I will not be misunderstood until I can complete what I want to say. That is, that in my estimation, having sat through the session last spring and heard the leading members of the present government, then the leading members of the opposition, express their views about hospital insurance, and having both heard and read the statements made by Conservative candidates in British Columbia in the last federal election campaign in regard to that subject, I can stand in my place here in the House of Commons and tell the members of the present government that as far as hospital insurance is concerned they are guilty of treason. Now, the reason I can use that term—

Mr. Speaker: Order. I would ask the hon. member not to use a term of that kind in connection with any member of this house because treason is an indictable offence for which a man may be executed and I am sure he does not want to impute that kind of offence to hon. members of the government. He is using the word "treason" in a loose sense and I would ask him to withdraw the use of the word "treason".

Mr. Winch: Mr. Speaker, you will remember what I said but I do withdraw the term. This morning—now, do not prejudge me this time—I went down to our parliamentary library and asked the attendant if I could have the most authoritative English dictionary and the most authoritative United States dictionary. The attendant said the most authoritative English dictionary is Murray's New English dictionary and the most authoritative United States dictionary is Webster's International. I looked up the word "treason" in both volumes. Murray's New English Dictionary defines treason as "betrayal of the trust undertaken by or reposed in any one; a breach of faith". Webster's International dictionary describes treason as "the betrayal of any trust or confidence". Mr. Speaker, I bow to your request and I now say I charge the present government, according to Murray's New English dictionary, with a betrayal of the trust undertaken or reposed in it and a breach of faith, and according to Webster's International Dictionary I charge it with the betrayal of a trust and a confidence as far as hospital insurance is concerned. After hearing an outline of the position taken by the Conservative opposition last spring as described by the hon. member for Winnipeg North Centre, surely we can say there has been a breach of confidence and a betrayal of trust.

Hospital insurance which is now in effect in British Columbia, Alberta and Saskatchewan is something that is desired by all the people of Canada. Hospital insurance is a principle accepted by the previous Liberal administration and by the Conservatives when in opposition. To any fairminded, reasonable and honest person it was clear until the opening of this parliament the Conservatives believed in hospital insurance going into effect, let us say as soon as six provinces had agreed by legislation and by signature in Ottawa, and that payments would be made to any province having a plan in force or in operation, if you want to put it that way. However, no action has been taken by this government nor has any been intimated up to the present time.

I think we have no reason to apologize for asking why there has been no mention of the subject in the speech from the throne and no direct answers to any questions. This can be for three reasons only: (1) the government does not yet know what to do, as a government, as far as hospital insurance is concerned; (2) because of the partial fulfilment of promises made for increases in certain pensions the government is worried financially and wants to stall the additional cost that would be involved if hospital insurance were put into effect now; or (3) for the purpose of political expediency the government want to tie in with some other province in a provincial election and possibly in a federal election. None of the above reasons represents a sufficient explanation of the government's present attitude. Its attitude is unfair in view of the policy it enunciated when in opposition in that it is making the three provinces that already have plans in operation a sacrifice to political expediency.

As I said when I opened my remarks I have been interested in the question of hospital and health insurance for many years. In 1936 the province of British Columbia pioneered the field. A complete health insurance program was introduced in the provincial legislature by the Hon. G. M. Weir which was passed. Dr. Allon Peebles who now resides in Ottawa was made the first chairman of the health insurance commission. Although passed by the legislature the plan never went into effect because of sabotage by the medical profession in British Columbia. However this did not stop the province introducing a plan. Since that time it has

gone into the field of hospital insurance as have the provinces of Saskatchewan and Alberta. The taxpayers of those provinces have spent millions of dollars through these plans to give the people the benefit of overall hospital insurance.

At the last session of parliament the Liberal government, the official opposition and the other two parties in this house agreed that the federal government had a responsibility in terms of the health and hospitalization of the Canadian people. The act was passed and we all expected that it would go into effect speedily. Any dereliction of responsibility in putting the plan into effect as speedily as possible is penalizing not only the provinces which already have their plans in operation but is also deterring the other provinces which contemplate a hospitalization plan. I am convinced that a province like Ontario, with the hundreds of millions of dollars it will cost them to put their plan into operation, is contemplating doing so only if they can get a 50 per cent grant from the federal authority immediately. Unless there is a clear statement from the government that their policy is that a province shall receive federal payment as soon as the plan is actually in operation I am afraid that not only Ontario but the maritime provinces, which have agreed to come in, will be deterred in their planning. But if Ontario is to be given any assurance that when their plan goes into effect in January, 1959, they will be paid 50 per cent then, Mr. Speaker, it is only right, it is only just that Alberta, Saskatchewan and British Columbia should be paid now because they have their plans in operation.

I know what it will mean in British Columbia. Most certainly we shall carry on, but what this government is doing—unless they now establish the policy that the money will be paid in the immediate future—is that they are stealing around $18 million a year that rightfully belongs to British Columbia in order to fulfil some of their own election promises.

Hospital insurance is an important issue, Mr. Speaker. To the provinces that have not got it it is a blessing yet to come. The provinces that have it can reasonably and rightfully expect the declaration of principle of the Conservatives in opposition, now the government, that before this session ends, they will agree to contribute 50 per cent of the cost. We also expect, sir, that what was said by the Conservatives in opposition will be outlined by them as a government in the acceptance of half the cost of the mentally ill and those who are suffering from tuberculosis.

I cannot use a certain word, Mr. Speaker, but I ask you to remember the definitions of that word dealing with breach of trust and of breaking of faith. I suggest to you in conclusion, sir, that we are not asking for anything more than the Conservatives' promises, and that they get away from the strange metamorphosis that has overtaken them since they moved from the ranks of opposition to the seats of government, that they now put into action the things they proposed and demanded when they were on this side of the house. If not, sir,—well, take the definition of the word that I cannot use—there is a penalty for them and they will reap that penalty when they go next to the polls.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I am speaking on this motion because the hon. member for Essex East (Mr. Martin) has, until this evening, to be somewhere else; otherwise he would be speaking at this time.

Mr. Hodgson: He is not looking for votes already, is he?

Mr. Pickersgill: First of all I should like to say, sir, I feel that the motion moved in amendment by the hon. member for Winnipeg North Centre (Mr. Knowles) does illustrate almost perfectly the wisdom of the stand taken this afternoon by the leader of this party, because this motion is not really, in the proper technical sense of the term, a grievance at all. It asks the government to do something by legislation which is really, in the present circumstances, quite redundant. It asks them to amend the legislation that we were responsible for inviting parliament to enact.

Mr. Knowles (Winnipeg North Centre): Not necessarily.

Mr. Pickersgill: To amend this legislation in order to accomplish something which, to all intents and purposes, has already been accomplished because, before we went out of office, six provinces had agreed to come into this scheme.

The hon. gentleman from Winnipeg North Centre who is usually very cogent, sir—I admit that—on this occasion has missed the point entirely. It seems to me he is not talking about what is the real obstacle to the implementation of this scheme. He has set up a straw man and then proceeded to tear him down. It seems to me that what the hon. gentleman was complaining about in nearly all of his long speech was not that the legislation was insufficient but

that the administration of his department by the Minister of National Health and Welfare Mr. Monteith appears to be, if not inefficient at least to be something less than frank.

Mr. Knowles (Winnipeg North Centre): Hear, hear.

Mr. Pickersgill: And with that view I am sure all of us agree, and no one more than I, because I think the hon. gentleman has given evasive answers, or no answers at all, to at least as many of my questions as he has to anyone in the house on this particular subject. But, of course, sir, there is another reason why this motion would not accomplish the object it professes to have in mind and is therefore in a strict sense insincere. I am not saying the hon. gentleman is insincere, but I am saying his gesture is insincere. I say that for this reason. Unless the government is willing to accept this motion which, as I say, is not strictly a motion of want of confidence, it would be a motion of want of confidence, the adoption of which by the house would prevent the committee from going into supply. It would force an election, and it would certainly delay, and delay very considerably, the very objective which the hon. gentleman professes to wish to attain, and for that reason alone—I am speaking only for myself; that is one of the advantages of being in opposition—I will have great pleasure in voting against this motion.

I will have great pleasure in voting against it for another reason, namely that the position taken by the government I belonged to I believe is just as right today as it was at the time it was taken.

An hon. Member: You belong to.

Mr. Pickersgill: I said "belonged"; past tense.

The Leader of the Opposition (Mr. St. Laurent), when he originally explained why the former government required six provinces to agree to this scheme before it would be put into operation, said that we as a party did not believe in taxing all the people of Canada for the benefit of a relatively small section of the people of Canada, and until a majority of the provinces, representing a majority of the population, were going to be included in such a scheme it would be doing just that. I believe that that national stand, that national outlook, was the right one and I still think it is the right one.

An hon. Member: Why didn't you put it in legislation?

Mr. Pickersgill: The legislation is there; it is on the statute books and it will come into operation, I assume,—of course, I have no right to speak now for anyone but myself—as soon as six of the provinces have schemes on their statute books. I certainly agree with the hon. member for Winnipeg North Centre that that is what the law means. It does not mean that six provincial schemes must actually be in operation; it means that they must be on the statute books, capable of being brought into operation as quickly as circumstances would warrant. It seems to me that that is a sensible provision. It seems to me that there is not any great likelihood that that outcome will not be realized during the course of 1958. To say the least this particular motion is somewhat premature.

The hon. member for Winnipeg North Centre made a great deal of the position he was taking that there must be a constitutional opposition in this house and he suggested that my friends and I had abdicated this responsibility and that he and his friends were taking this great burden from our shoulders. I suggest, Mr. Speaker, that the first duty of an opposition—the most essential of all duties, historically and in every other way, of an opposition in parliament—is to criticize the estimates. What the Leader of the Opposition said this afternoon was that he thought it was more important that in the limited time available—the time is limited; we cannot change the calendar or at least I do not think we are going to try to do so—in this fiscal year we would be doing our duty better and more profitably by criticizing the estimates than by making academic speeches on academic motions which, if they passed, would defeat the very object they profess to be seeking to carry out.

There is not a word that the hon. member for Winnipeg North Centre said on the motion today that could not have been said just as appropriately on the first item of the estimates of the Minister of National Health and Welfare (Mr. Monteith) although it is true that he would have had to take two or three turns to say it under the rules. He could not have monopolized the time of the house for as long as he did when he was moving a motion of want of confidence. But perhaps in the interstices he could have obtained an answer or two from the hon. gentleman who is in charge of this department, which would have been a refreshing change.

It seems to me that the government can be justly criticized on two counts. It can be criticized for being dilatory about this matter. I think the most shocking example that has come to my notice—and perhaps it has come to my notice because I pay a little

bit more attention to the province in which I spent 30 pears of my life than I do to some others—was the history of the correspondence between the minister of health of Manitoba and the premier of Manitoba and ministers opposite. According to the facts that have been brought out with difficulty, in this house this session, in July the minister of health of Manitoba wrote to the then acting minister of national health and welfare, the Minister of Veterans Affairs (Mr. Brooks), and he received an acknowledgment but no reply to his letter. On August 1 the premier of Manitoba wrote to the Prime Minister (Mr. Diefenbaker) and he received no acknowledgment of his letter. In September, when the hon. member for Perth was appointed Minister of National Health and Welfare, the minister of health of Manitoba wrote to him and I am not sure—I am speaking from memory—whether he received an acknowledgment or not but he certainly received no answer to the questions he raised. On October 16 the premier of Manitoba wrote a second time to the Prime Minister asking for an answer to his first letter and to these other letters.

Several days later I asked the Prime Minister whether there had been any answers to those letters and he had no recollection of it. I admit that he gave a very polite and courteous reply as soon as he had a chance to check the matter. But I say that this is evidence—and it supports the evidence which the hon. member for Winnipeg North Centre himself produced—of a dilatory and rather irresponsible attitude, I do not say on the part of the Prime Minister who has multifarious duties, although I would have thought that a second letter from the premier of a province asking for a reply on as important a question as this would not have been brushed aside. However, it is surely a serious charge against the Minister of National Health and Welfare that four months after the government had come into office and well over a month after he himself had assumed office he had not yet had time to familiarize himself with important correspondence with his opposite numbers in provincial governments and with the premier of a province.

But what I think perhaps is an even more serious charge, Mr. Speaker, is the charge that the government has been extremely evasive in this matter. The hon. member for Winnipeg North Centre, who is usually encyclopædic in these matters, surprised me by failing to point out that, although the Prime Minister during the election campaign did not say much that is on the record about health insurance he did make two statements that are recorded in the press. He made a statement in Winnipeg, and because it was made in Winnipeg I would have thought that the hon. gentleman would have noticed it particularly. He also made a statement in Saskatoon. On both occasions the Prime Minister, then the leader of the Conservative party seeking office, pointed out that mental and tubercular patients should be included in this scheme and he certainly gave every impression that if he came into office that would be done and done without any serious delay. I think at least half a dozen different members of this party and an equal number of members of the C.C.F. party have been trying off and on ever since the session opened to find out whether the government has any intention of carrying out that promise. It does not seem to me that it is an improper question or an unreasonable question or one that it should take the government very long to make up its mind about. I find it hard to understand why they are so secretive about it. I think it is within the recollection of all of us that we were obliged to listen to a great deal about secrecy when we were in the government and when hon. gentlemen opposite were sitting on the opposition side of the house.

Mr. Campbell (The Battlefords): You learned a lot in 22 years.

Mr. Pickersgill: I think there is one difference between our situations. I said this the other day, Mr. Speaker, but perhaps you will pardon me if I repeat it. There is a great deal of difference about being secretive about those things that have not been decided. Under our system it is a constitutional rule that when a minister speaks he speaks for the government and commits the government. Therefore until the government has made up its mind under our parliamentary rules a minister is perfectly entitled not to answer. But day after day, week after week, month after month and year after year we were censured because we carried out that proper rule.

But this ministry, Mr. Speaker, is different. This ministry will not even tell us about the things they have decided. This is something new. This is something we have never seen before in parliament, at least in the 20 years I have been around here. If the Minister of National Health and Welfare or the Prime Minister would rise in his place and say, "Notwithstanding the fact that we gave a solemn assurance before the election that we would include mental and tubercular patients, we are taking a second look at the matter; we are not sure we were not imprudent", or if they would say, "We have not made up our minds yet", I think we would all say, "That is an honest attitude". I know that for my part it would satisfy me perfectly.

But the Minister of National Health and Welfare gave an extremely evasive answer to my question. He said he thought I would

discover that all the Prime Minister's promises would be kept. The premier of Manitoba and the minister of health of Manitoba assumed that that meant that mental and t.b. patients were going to be included. A day or two later the Prime Minister was asked, I think by the hon. member for St. Boniface (Mr. Deniset), whether or not this was correct and he said no assurance had been given. I think a little frankness, a little straightforwardness on this question is something we are really entitled to have in this house.

I do feel, as I have said already, that there is ground for criticizing the government for the lack of zeal, the lack of interest that has been shown in this question, when compared with the zeal and the interest they professed when the members of the government were on this side of the house. To that extent, I agree with the hon. member. But I must say, that I see no point, no useful purpose that could be served by adopting the amendment itself. If carried, as I have said, it would certainly defeat the professed object—

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Pickersgill: Certainly.

Mr. Knowles (Winnipeg North Centre): Would he explain how the passing of this amendment, and the defeat of the government if that were the result, would defeat the object of the amendment? Would it not still be possible for the government, under the legislation which is on the statute books, to take the neccessary steps to bring this hospital insurance plan into operation? As a matter of fact, would the member not agree that if the government were defeated in the house on this issue it would probably get into action on the matter rather quickly?

Mr. Pickersgill: The hon. member has one disadvantage that I do not share with him, he has never been a member of a government.

Mr. Sinclair: He never will be.

Mr. Pickersgill: I would not go that far. After June 10, I will be very chary about making predictions as to who will serve in governments. The hon. gentleman never has served, but I have served in one government and I have been rather close to several and I believe that when a government is in the midst of an election campaign—I say this not in criticism of any government—they are not apt to be devoting the same energy and attention to the implementation of policies as they would be doing at other times.

It does seem to me we can be quite assured that if the government were defeated on this issue and had to go to the country, at a time when the public obviously does not want to have an election and on an issue that I imagine would seem to most people a side issue, compared with the tremendous problems that face this country at this time, international problems and national problems, that far from accomplishing any object the hon. gentleman has in mind it would defeat that object and do a lot of incidental damage as well.

Mr. Bell (Saint John-Albert): Oh, oh.

Mr. Stuart (Charlotte): The hon. member will be laughing on the other side of his face before long.

Mr. Pickersgill: The incidental damage I was thinking of would be having no effective government at a time when this great NATO meeting is going to be held; at a time when things look rather dark. I was thinking also of the possibility of being in the midst of an election at a time when, as we know, there is a very serious matter in dispute between the railways and their employees. It seems to me, sir, that this is not a time to be talking frivolously about defeating governments and about having elections. It is a time to be getting on with the essential business of this country and that, sir, is precisely what the Leader of the Opposition (Mr. St. Laurent) said we ought to do by getting on as quickly as we reasonably could with the consideration of the estimates. It does seem to me that most of the grievances that most of us could possibly foresee are quite capable of being discussed on the estimates themselves.

Mr. Martin (Timmins): I wonder if I might call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. M. W. Martin (Timmins): Mr. Speaker, in rising to speak on this amendment I find it strange that so far we have had no speakers whatsoever from the government side of the house. As was so very capably pointed out by my colleague the hon. member for Winnipeg North Centre (Mr. Knowles), in times gone by, in fact as late as last spring, in this house and indeed right across this country from coast to coast during the election campaign various members of the present government had plenty to say on this matter. Therefore, as I say, I find it rather strange that at least to date they have been silent.

I had also looked forward to hearing the comments on this particular subject of my namesake in this house, the former minister of national health and welfare. I was quite surprised, not so much at the hon. member for Bonavista-Twillingate who spoke or at least intimated that he spoke in behalf of the former minister, as at what he had to say when he did speak. I found it very difficult to follow just what he was trying to do, whether he was trying to support the government, whether he was supporting the amendment or whether he was trying to put forth the policy of the Liberal party on this matter, if any.

Even having noted the obvious determination of the Liberal party in this parliament to support the Conservative government, come what may, I may say I was really shocked to hear the hon. member for Bonavista-Twillingate (Mr. Pickersgill) refer to health insurance which so materially affects the health of this nation of ours, as it is being discussed at the moment, as something frivolous. I cannot see how any member of this house can maintain that the health protection of the people of this country is a frivolous matter which should not be raised and discussed in this house. Possibly, if as he intimated he was speaking for the former minister of national health and welfare, who in turn has been responsible for putting forward the policy of the former Liberal government in regard to health insurance for Canada, then that explains the reason why we have waited 40 years for the implementation of the Liberal promise of health insurance which was first made to this house in 1919.

I would like to say in conjunction with this amendment put forth by our party that there is a definite urgency to get on with this job of providing health insurance in this country. In addition to the reasons so well outlined by the hon. member for Winnipeg North Centre I would draw the attention of this house to the fact that there are very powerful forces at work in Canada trying to stop or delay the health insurance as we now know it and to prevent it from spreading into a more comprehensive plan to cover the needs of the Canadian people.

To illustrate this point I would like to draw attention to this book which I believe was made available to all hon. members of this house. It is entitled "Underwriting Canadian Health—An Economic View of Welfare Programs", and it was done by a firm of consulting economists, William Lougheed associates, Toronto, at the request of the Canadian Chamber of Commerce and the Canadian life insurance officers association. I would particularly like to point out an item contained in the preamble of the survey. This survey was for the express purpose of setting out:

> —the urgent necessity of countering any tendency of the new hospital scheme towards "natural" growth into the areas or surgery, medicine, dental and nursing care.

Now there are scarcely two more powerful organizations in this country today than the Canadian Chamber of Commerce and the Canadian life insurance officers association. In Canada they represent a tremendous amount of money, a tremendous amount of wealth and a tremendous amount of influence and I think in all fairness it can be said of both these organizations, judging from their past records, that it is business first, and nothing afterwards. I submit their primary interest is certainly not the health of this nation. As I say, their first consideration is that of their business interests.

We all know that costs in connection with health in this country are steadily rising, as they are in all other parts of the world. These costs are rising to the extent that people just cannot afford to be without health insurance and I submit that the motive behind these delaying tactics is to create a situation where everybody is going to be compelled to buy life insurance from these various insurance companies. I do not know just what costs were involved in conducting this survey but I assume that they were considerable. This survey had to be undertaken, the returns published and distributed over the wide field in which they have been distributed, and I think it is rather ironic that the money used to conduct the survey—to use its own words, "for the express purpose of stopping a national health insurance plan"—was raised from the very people who pay premiums to these very insurance companies. In other words, the people's money is being used to cut their own throats.

I maintain that in addition to the reasons previously given, these points I have here outlined provide all the more reasons for getting on with this job without further delay. In closing I might say, Mr. Speaker, I am still awaiting with interest an indication from the members of this government as to whether they hold any of the same views they expressed in this house last year and to the Canadian people just prior to election.

Mr. R. M. T. McDonald (Hamilton South): Mr. Speaker, I rise to speak in this debate for several reasons. I have heard from hon. members across the way talk of "delay, dodging, stalling, and putting off". Our

government has been in power for five months; the cabinet minister concerned in this matter for three months. This government has introduced more legislation in those five months than it took other parties many years to introduce.

An hon. Member: How do you get that?

Mr. McDonald (Hamilton South): The hon. Minister of National Health and Welfare (Mr. Monteith) has put forth amendments to the Old Age Security Act, the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act. The hon. member for Vancouver East (Mr. Winch) talked about political expedience, stalling and no government. This government comprised of 112 people, have the three opposition parties scared to death. I think it is of great benefit to the Canadian people right now to have a minority government.

Some hon. Members: Hear, hear.

Mr. McDonald (Hamilton South): It keeps everybody on his toes.

Some hon. Members: That is right.

Mr. McDonald (Hamilton South): Really on their toes. The C.C.F. party says it is the party of the people—no political playing or delaying. I just wonder? I have merely heard the C.C.F. members speak about communist China, wheat, unemployment and health insurance. Now probably they speak of communist China because it gets big headlines in the newspapers. As to wheat, well we know we have a surplus inherited from the Liberal party but I believe the Minister of Trade and Commerce (Mr. Churchill) is trying very hard to sell this wheat because he knows the farmer needs the money.

Unemployment. I would talk to the hon. member for Bonavista-Twillingate (Mr. Pickersgill). The first time he rose in this house I believe he talked about the great immigration policy of the Liberal party. Our party when we took office, tried to slow down immigration to cope with the development of this country on a delayed basis. If the Liberals had taken this development up in the early part of 1956 the unemployment they are talking about today would be much lower.

Health insurance. The Liberal party in 1919 put forth a health insurance program. They were in office through 1927-1930, the years which took us into the depression years. They had plenty of time to think about rehabilitation and health after world war I, and they had plenty of time from 1935 to the end of the last great war to implement this plan. In the big money-spending and taxation years between 1946 and 1957 they did absolutely nothing with regard to putting this plan into immediate effect. I note they say that everything is on the statute books, but it was not actually done. I believe this government should be given its due course of time; they have done a great job as far as I am concerned.

I am not as well versed in getting up and twisting words around in my speeches but I do believe that if in this house people would think about the people first and not get up and try to twist around issues that are political footballs—

Mr. Winch: Does the hon. member believe that the hospital insurance scheme is a football?

Mr. McDonald (Hamilton South): The way you are putting it, it is.

I see our Minister of National Health and Welfare has a billion dollar estimate to go over. I do believe this party will bring forward a health insurance program based on planning. The amendment moved by the C.C.F. to the speech from the throne seeks for social and economic planning. I think it takes more than three months for a minister of health and welfare to plan a health insurance scheme which the Liberals could not carry out in 40 years, and I am sure that within the next little while all parties will know that this party will put forward this scheme, because all members are in favour of this scheme. If you boys will give them a chance and not push them too much they will do it. If we can push through the estimates and the other legislation I believe you will get it more speedily than if one member gets up and talks for an hour and a half.

(Translation):

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I do not share the opinion expressed by the hon. member for Winnipeg North Centre (Mr. Knowles), and, for the reasons explained by the hon. member for Bonavista-Twillingate (Mr. Pickersgill), I will certainly not vote in favour of his amendment. This hospitalization insurance and diagnostic services legislation, put on our statute books by the preceding government, was obviously appreciated by most Canadians, as evidenced by the fact that six provinces have already entered into the plan. As far as the province of Quebec is concerned, that proposal was also welcomed by the people and confirmed by the June 10 vote.

There is no point in dwelling at length on the advantages of this social service. Most

people in this country, have studied it, understand it and would be happy to see it implemented. However, the province of Quebec has withheld its approval and for a very simple reason. The *Union Nationale* government of my province wants no part of it because this social security measure was originally put forward by a Liberal government in Ottawa.

That is why I would like to ask the present government, one enjoying the good graces of the Quebec *Union Nationale*, to use its influence to have this measure accepted. It would be a great service to our people.

On polling day, June 10, many people in my constituency came to ask me to pay their hospital bills, even before casting their votes. My answer was immediate. I referred them, with my best regards, to the proper authorities.

Mr. Speaker, I am stating these facts so that you will understand the urgency of making such a service available to the great majority of our families of modest means.

(*Text*):

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I hesitated a moment or two before rising to my feet because I thought it probable that the former minister of health and welfare might wish to take part in this debate and, personally, I should be very glad to hear him do so before we end the proceedings.

I was rather interested to hear the hon. member for Hamilton South (Mr. McDonald) come forward so valiantly to the defence of the government. Certainly it is encouraging to see him stepping in so valiantly when some of the more senior members of his party have been strangely silent so far in this debate. Perhaps they feel the references to some of their former remarks which were put on record this afternoon by the hon. member for Winnipeg North Centre (Mr. Knowles) might not gibe too well with what they might wish to say at this particular time, and therefore they may be a little more reluctant to speak than was the hon. member for Hamilton South.

Actually I think the hon. member for Hamilton South may be still at the honeymoon stage, as far as his attachment to the present government is concerned, if he imagines that it is going to go charging full speed ahead without an occasional prod from the opposition. Certainly the motion for Mr. Speaker to leave the chair for the house to resolve itself into a committee of supply is one of the occasions when those of us on this side of the house have the right and the responsibility to point out what we believe to be the weaknesses of the government.

Mr. Broome: They haven't any.

Mr. Barnett: That is a matter of opinion. The house would be a rather dull place if we were all in agreement on that point. It is all very well for people like the hon. member for Hamilton South to suggest that the Minister of National Health and Welfare has been a busy man and that we should have a little more patience than we have before bringing up such delicate matters as putting health insurance into effect. I think, however, that if hon. members on the government side were to examine a little more carefully the motion proposed on behalf of the C.C.F. group they would see that all it is proposing is that those who are now on the government side should do what they said they were prepared to do when they were in opposition, and what they were urging the former government to do as recently as last April.

It would not be in keeping with the facts to suggest that this question of health insurance is one which involves stepping into unexplored fields. After all, I remember that a long time before I was a member of this house I received a copy of a draft bill which was presented for the consideration of a committee of this house, outlining in complete detail the operation of a national hospital insurance plan.

I remember having participated in a forum with representatives from one or two political schools of thought on the subject matter of that draft bill and certainly I know that we found this draft bill was something which had involved a lot of careful preparation and study. Therefore I suggest that the amendment we are proposing is simply a matter of asking those who now sit on the treasury benches to live up to their announced belief as expressed earlier in the current year, nothing more or less than that.

When the former minister of national health and welfare sat across the floor from this group, as he probably remembers only too well, the hon. member for Winnipeg North Centre and others in this group kept urging and prodding him to move a little more speedily than he was doing. However, when he did get to the point of bringing in the hospital and diagnostic services bill last year we welcomed the fact that he was bringing it into the house although we did not hesitate to point out some of its shortcomings. I am sure the hon. member for Essex East (Mr. Martin) would not expect us to be any less diligent in prodding the present Minister of National Health and Welfare (Mr. Monteith) than we were in prodding him.

Health Insurance

It does seem strange to me, as was very well documented by the hon. member for Winnipeg North Centre, that the present minister has been so reticent and evasive in the manner in which he has discussed the introduction and development of the hospital insurance plan. Like the hon. member for Winnipeg North Centre I must confess I was really alarmed the other day when he started this business concerning the question of whether "plans in force" and "plans in operation" were synonymous terms. Certainly anyone who had listened to the discussion which took place in this chamber when the bill for hospital insurance was brought in could place no construction on the remarks made by the present Minister of National Health and Welfare other than that he was trying to back out of this scheme. That is something as far as we in the C.C.F. group are concerned which is not a side issue as was suggested this afternoon by the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

That remark of the hon. member for Bonavista-Twillingate will perhaps haunt the Liberal party for a long time because in spite of their slowness over the years they have been rather fond of parading themselves as being the great apostles of such measures as health insurance and other social security measures and when one of the former cabinet ministers of the last administration in this house suggests that the question of pressing forward in the field of hospital insurance is a mere side issue, one in which we should not seek to prod and push the present government, I suggest he has put something on the record that reveals, as some one has suggested, what is, after all, the true attitude of the Liberal party when one gets right down to brass tacks.

Sometimes we wonder why it is that the professions that are made by some hon. members—quite sincerely, I think—who sit on the Liberal or Conservative benches seem to wither away so quickly when they have the responsibility of executing plans and putting them into action. I rather wonder whether or not the explanation for it does not really lie in the sort of thing that one reads in publications such as the one I have in my hand. This particular document, volume 113 of a bulletin called "Industry" dated March 1957 is published by the Canadian Manufacturers' Association, Incorporated. On the subject of hospital insurance it has this to say:

> Government-sponsored hospital insurance is coming because most Canadians have indicated that they want it, because all the national political parties profess themselves in favour of it—

[Mr. Barnett.]

I like that phrase, "profess themselves in favour of it".

> —and because there is little organized opposition to it of a national character.
>
> Even so, it would be wrong to assume that individual qualms are few and far between. There are still people who view the advent of government into the field of medicine—even on this limited scale—with deep foreboding: for them it is "the thin end of the socialist wedge".
>
> Such people are apprehensive that hospital costs will soar, that they will be met increasingly out of taxes rather than contributions, and that rancorous disputes between the provinces and Ottawa over this aspect or that will both sour the scheme and broaden the extent of government intervention.

As far as I have read, that statement is perhaps descriptive but then this article goes on to say:

> Nor should these be lightly dismissed as idle fears. Bureaucracy and needless extravagance have been early features of all such government schemes ever since Bismarck's Germany became the first country to provide state insurance against sickness back in 1883.
>
> When government crosses the hospital threshhold, economy flies out through the window.

You know, Mr. Speaker, that sounds almost like the hon. member for Vancouver South (Mr. Broome) talking about T.C.A. When one reads such expressions of sentiment as that in an editorial publication of the Canadian Manufacturers' Association one cannot help but wonder whether the expression of such views might not be having much more influence with the present government behind the scenes than we may be aware of, because it seems to me if the government was listening to the expression of views put forward by certain other organizations in this country we would be getting the kind of action which is proposed by the C.C.F. amendment at this time. For example, in the recent memorandum to the government of the Canadian Labour Congress they have this to say:

> The Hospital Insurance and Diagnostic Services Act has in effect been endorsed by all the provinces but one. It should become operative forthwith.

What a contrast there is between the point of view expressed here by the Canadian Labour Congress and the point of view expressed by the Canadian Manufacturers' Association. Which one of these organizations is listened to by the government? Which one of these organizations has the inside track in the policymaking of the government in respect of these matters? When we see the government being strangely silent on the question of when it is going to implement and make effective this act which is on the federal statute books we cannot help but have the suspicion that the Canadian Manufacturers' Association and its representations may be receiving a lot more attention from the government than are the representations so recently made to the government by the

Canadian Labour Congress. The Canadian Labour Congress in its memorandum goes on to say this:

> As matters now stand, two provinces, Saskatchewan and British Columbia, have full-fledged hospital insurance schemes already in effect. Two others, Alberta and Newfoundland, have rather more limited schemes in terms of population covered. Ontario has declared its intention of introducing a scheme beginning in 1959. Presumably the other provinces will follow suit.
>
> Under the circumstances, we believe there should be no unnecessary delay in making dominion grants available to those provinces which are already providing hospital services of the kind and quality outlined in the act.

That is precisely the point of view that I for one want to stand up and support in this house. In the province of British Columbia we have had quite a considerable number of years of experience with a hospital insurance plan and, as I may have remarked before in this house, it really came as a bit of a shock to me, after I came to spend some time in the province of Ontario as a result of my attendance in this house, to realize that people in this province were still worrying about hospital bills, and so on. I suddenly realized what a tremendous sense of freedom I had enjoyed for a period of years owing to the hospital insurance coverage that I had as an individual citizen.

I cannot help but be reminded of the fact that we got hospital insurance in British Columbia in 1949 only because it was necessary in the opinion of the then government of British Columbia, a coalition of Liberals and Conservatives, perhaps the same sort of coalition that seemed to be developing here this afternoon. We got that hospital insurance program only because there was a group in the legislature led by the present hon. member for Vancouver East (Mr. Winch), the leader of His Majesty's loyal opposition at that time in Victoria, who were prepared to stand up and battle day in and day out for that sort of thing. It was because—it was generally recognized in British Columbia at that time—of the existence of the threat to the government of that kind of opposition that we really got our first hospital insurance plan in operating form in the province of British Columbia. The fact of the matter is that today in British Columbia no one would dare attempt to touch that hospital insurance plan.

In the light of the sort of thinking that has been expressed in this house many times by the former minister of national health and welfare when he talked about the national health grant program, I would suggest that the argument that has been put forward by the Canadian Labour Congress as well as by many others should be given effect, and that those provinces which have a hospital insurance plan in operation now should have the benefits of the federal government's participation in this scheme.

I suggest that that is one of the things which will give an opportunity to provinces like British Columbia to do further pioneering in the field of providing adequate health and hospital services which are so necessary apparently in this country in order for us to move ahead in these fields. I am as sure as I am standing here that the minute this money is made available to the province of British Columbia, under the terms of the act we are discussing, there will develop in that province a strong program to ensure that the extra money which comes from the federal authority will be made available for the extension of our various health services in that province. As a matter of fact, I doubt very much whether there will be any real objection to that kind of development from any quarter in British Columbia today. I suggest that, owing to the fact that the people in certain provinces have seen fit to do some of the perhaps necessary pioneering work in these fields within our country they should be given the opportunity to move ahead now in some unexplored fields, and thus lead the way to bringing closer the day when we shall have a complete national health insurance plan throughout the breadth of Canada.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Poulin: Mr. Speaker, it is my intention to raise another grievance.

Mr. Speaker: Order. May I ask the hon. member to defer his raising of another grievance. I believe there are still members who wish to speak on the amendment which is before the house, which is the only proper subject to discuss at this moment. I call on the hon. member for Burnaby-Richmond.

Mr. T. J. Irwin (Burnaby-Richmond): Mr. Speaker, of course it had not been my intention to say anything about this amendment, but so far as I am concerned—and I think I can speak for my group—I am willing to go along with the amendment because all that the amendment asks for is the implementation of the intention of section 6, subsection 2 of the Hospital Insurance and Diagnostic Services Act, which reads:

> No contributions shall be paid under this act until at least six provinces, containing at least one-half the population of Canada, have entered into an agreement, and the provincial law in relation to those provinces is in force.

I do not think this is too much to ask. I do not think the government can accuse us of unnecessarily prodding it when we ask it to implement something that is already on the statute books, because any statute is the business of any government, no matter when

it takes office. That statute is already there, and we are asking them now to put that part of the statute into force at once.

The province of British Columbia was ready for this section of the statute long before April 12, 1957, because when I look at section 5 of the same act I find it contains the terms of the agreement with the provinces. Subsection 2 reads:

> In every agreement, the province shall covenant and agree
>
> (a) to make insured services available to all residents of the province upon uniform terms and conditions.

I submit right now, Mr. Speaker, that British Columbia is the only province that complies absolutely with this condition, because any person resident in British Columbia for one year is covered by the hospital insurance act in that province. Every single person in that province is ready now to take advantage of anything that the federal government may see fit to do to make things a little easier.

The hon. member for Comox-Alberni (Mr. Barnett) quoted the Canadian Labour Congress' memorandum of October 21, 1957, but he did not read quite far enough. Let me take up where he left off:

> Since they (the province) have been shouldering the burden for some years without assistance (apart from health grants), they should immediately get the benefit of the act. Anything else is less than fair. Furthermore, to make these grants available to them now would undoubtedly cause the more laggard provinces to get their own legislation into effect all the sooner.

Then a little further on we find the following:

> We think the government agrees. Certainly the Conservative party in opposition voted to censure the late government for not announcing legislation for this purpose. Again we hope that what the party voted for in opposition it would carry out in office.

When the present government were in opposition they voted for this hospital insurance scheme. They voted for subsection 2 of section 6. What we are asking them to do now is to implement it. There is no reason why it should not be implemented.

May I say that I have another reason for saying a couple of words in support of this amendment.

One of the reasons I am supporting this amendment is that I should like to smoke out into the open the present Minister of National Health and Welfare (Mr. Monteith). I have an idea that the gentleman in question is quite willing to go along with this matter. I have an idea that he is quite willing to go along with it and that the government is willing to go along with it but I should like him to say now whether or not he is going to do it. If he does not say he is going to do it now, we will know that he has no intention of doing it now or probably at any other time.

As to my friend the hon. member for York-Scarborough (Mr. McGee), he spoke for a moment or two about what this government had done with regard to old age pensions, old age assistance, disabled persons and blind persons in the legislation they brought down for them. That is fair enough as far as it went but it has nothing to do with hospital insurance; not a thing in the world. I submit, Mr. Speaker, that it is time this government got around to implementing all these things that it was so anxious about in previous sessions and at least to implementing the suggestion that was brought forward 40 years ago and for which we are looking now. I submit, Mr. Speaker, that this amendment should carry.

Hon. Paul Martin (Essex East): Mr. Speaker, I wonder whether, before discussing this particular matter, I might take advantage of this the first day in the House of Commons of the Secretary of State for External Affairs (Mr. Smith) to extend to him a very sincere welcome. I do so for, like the hon. member for Laurier (Mr. Chevrier) and the Minister of Finance (Mr. Fleming), all former students of his, I have a special reason for being particularly proud that he should become a member of the House of Commons. I cannot extend to him wishes for a long tenure, but I can say to him quite sincerely that we are indeed proud that he joins the ranks of the class of 1928 serving this country in the parliament of Canada.

I must take issue with the hon. member for Winnipeg North Centre (Mr. Knowles) who, speaking of the opposition sitting to your immediate left, Mr. Speaker, said that we had apparently abdicated our role as an opposition. The hon. gentleman, of course, did not expect to be taken too seriously when he made that observation because he knows that in this session the real opposition of the government has been that led by the right hon. gentleman who is the Leader of the Opposition (Mr. St. Laurent). Likewise he said that we had apparently, because of the statement of the Leader of the Opposition, given indication of an abdication on our part to discuss the estimates. That, of course, again is a statement that I know he does not wish any of us to take seriously because it is in no way in accord with the observation made by the Leader of the Opposition. We shall exercise our right of constructive criticism.

What we are concerned about here at this time is to see that in the present unusual situation this government is given an opportunity of carrying out its election promises at the earliest possible moment. It is because

of that consideration that we have taken the stand which was stated by the Leader of the Opposition today and which has governed our conduct in respect of other matters involving amendments and other moves in this house that would have led to no other course than a dissolution of this parliament at this time.

I do not think anyone should be misled by the terms of the amendment before us. On its face it looks like an innocent amendment and I have no doubt that it will be used by hon. gentlemen to my left in the far corner as an indication that only they and those who supported that amendment really are interested in seeing that hospital insurance in this country is furthered. I am sure that statement will be made by hon. gentlemen at what they regard as appropriate moments. But let my words now be associated with such declarations when I say that this amendment would be a very effective way of further postponing the day when we can have a real advance made in the matter of hospital insurance. What would be the consequence of it? The consequence of the acceptance of the amendment in this form would mean that this government would be defeated. That would mean that there would be no federal-provincial conference. That would mean that this government would not be in a position to carry on the kind of negotiations with the provinces that are necessary in furthering hospital insurance in Canada. That is what this amendment would mean. Instead of this amendment being a positive step forward for the implementation of hospital insurance, it would be a step that would at least suspend any of these negotiations which are necessary to the ultimate adoption of hospital insurance in Canada.

Mr. Knowles (Winnipeg North Centre): Would my hon. friend permit a question?

Mr. Martin (Essex East): Yes.

Mr. Knowles (Winnipeg North Centre): Did he discontinue negotiations with the provinces after parliament was dissolved last April?

Mr. Martin (Essex East): I certainly did not, as I will indicate.

Mr. Knowles (Winnipeg North Centre): Then how does my hon. friend make the argument he is now advancing?

Mr. Martin (Essex East): That is quite a different matter. Our government had declared its policy. This government has not yet declared its policy. That is the difference. I am glad my hon. friend has recognized in his amendment the indispensable position of the provinces in this matter. If I may say so, he has not always taken that position.

Mr. Knowles (Winnipeg North Centre): Yes, we have.

Mr. Martin (Essex East): My hon. friend says, "Yes, we have". I do not want to do him an injustice but my impression is that in former declarations and submissions that he has made in this house he has given the impression that this particular kind of matter depended entirely upon actions of the federal government. From the terms of this amendment or from the implications, at any rate, we can see that he now recognizes that a matter of this sort depends upon co-operation of the provincial governments as well. If this amendment has the faults which I believe it possesses, it nevertheless serves the purpose which I am sure really was in the mind of the hon. member for Winnipeg North Centre, namely to join with the Liberal opposition—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —in bringing to the attention of the government the importance of doing something about this matter.

What are the facts? Shortly after the speech from the throne was read I took advantage of the opportunity, on behalf of those of us who sit in this group, to inquire of the genial Prime Minister (Mr. Diefenbaker) why he had not seen fit to put in Her Majesty's mouth words that would express the intention of the government in the matter of hospital insurance. In the speech from the throne nothing whatsoever had been said about health insurance. Then, as the house knows, shortly thereafter I took advantage of a motion somewhat similar to this one to urge on the Minister of National Health and Welfare (Mr. Monteith)—I think in the presence of the Prime Minister—the desirability of an early statement by the government of its position with regard to health insurance. I pointed out that there was a great silence on the part of members of the government with respect to this matter. I noted, of course, with satisfaction, that the Minister of National Health and Welfare, when he had taken office, made a public statement in which he said that one of his intentions was to further the establishment of hospital insurance in Canada. I again acknowledge his statement. But his has been the sole voice of those sitting on the treasury benches.

During the election campaign the Prime Minister made many speeches. I have carefully examined the many varied and interesting utterances of the Prime Minister and I find it difficult to find that he made many references to hospital insurance. I think the

only reference he made that I recall at the moment was a somewhat abbreviated reference, if I may use the term, to hospital insurance in the city of Winnipeg.

Mr. Pickersgill: Also Saskatoon.

Mr. Martin (Essex East): The hon. member for Bonavista-Twillingate (Mr. Pickersgill) points out the Prime Minister also said something along this line in Saskatoon while he was near home. I suppose that was a good place to say something that was obviously popular in Saskatchewan.

There are good reasons, therefore, in the face of this silence on the part of the government for those of us in the opposition to conclude that the government, if interested in hospital insurance, at any rate has not given great evidence of this interest or of its intentions. I feel that this particular debate today will serve the purpose of giving us an opportunity of urging the government to make a statement of its intentions, both as to Bill No. 320 as it now is on the statute books, and as it might be in the light of any changes which, in view of the position government members took from this side of the house, they might want to make.

The fact is that the correspondence between the Prime Minister and the various provincial premiers indicates that at the coming conference on November 25, understandably a fiscal conference, there is going to be little opportunity, if any at all, for a discussion of hospital insurance. Hon. members will recall that I asked the Minister of National Health and Welfare (Mr. Monteith) on several occasions whether or not an opportunity would be afforded at that conference for provincial governments to discuss hospital insurance. The minister indicated that there should be no difficulty in having some kind of discussion with the provinces. But the correspondence between the provinces and the Prime Minister of Canada does not support that view. This correspondence clearly establishes that in the mind of the government this conference on November 25 is to be a conference dealing with fiscal matters and with fiscal matters alone. Of course, if a province wants to bring up the question of hospital insurance incidentally, in so far as it involves a very considerable expenditure on their part as well as on the part of the federal government, there could be no objection to that, I take it from reading the correspondence. However, the correspondence does not give any basis for discussion of further demands by the provinces on the federal government, for concessions or modifications in the existing law, except in a letter written to the premier of Manitoba on October 29. Then, the Prime Minister did say there would be an opportunity at the dominion-provincial conference for discussing hospital insurance.

This letter preceded the letter that was sent to all the provinces later. We have to ask the Prime Minister which letter is to govern the situation in so far as this conference is concerned, the letter that was sent to Premier Frost and all the other premiers or the first letter sent only to the premier of Manitoba? The provinces are vitally interested in this. Manitoba is not one of the provinces that has, as yet, agreed to come in on the basis of the bill which was passed at the last session. Premier Campbell has said that because of the failure of the Prime Minister—undoubtedly a busy man—to answer his correspondence the acceptance of hospital insurance in Manitoba has been delayed. But for that delay there would have been progress made by that province in the matter of accepting the general offer laid down by the federal government in Bill No. 320.

Then we had a further complication that obscures the picture, or at any rate fails to give us a clear indication of what the government really intends to do about this matter on November 25. One of the members on this side, I think it was the hon. member for Bonavista-Twillingate (Mr. Pickersgill) asked the Minister of National Health and Welfare if the t.b. and mental health patients were to be included in the coverage. The minister gave a reply that I think would lend itself to the interpretation that that might be done.

Mr. Monteith: Just like yours.

Mr. Martin (Essex East): My hon. friend says, just like mine. If they were like mine, they were unequivocal. Then the hon. member for St. Boniface (Mr. Deniset) asked the Prime Minister the same question on another day, and the Prime Minister said there was no commitment. On the one hand, we have a statement from the Prime Minister, and on the other that of the Minister of National Health and Welfare. Now, the Minister of National Health and Welfare will not misunderstand me if I say that, much as I have respect for him and his authority as minister, I am bound to recognize that any declaration made by the Prime Minister must be regarded as having primacy in so far as declarations of policy of the government are concerned.

We have, therefore, these various contradictions which serve as a background for the building of a vacuum in so far as knowing what the intentions of this government really are. We do not know, for instance, whether or not they have abandoned the position that

they took when Bill No. 320 was under consideration, that the bill was acceptable, that the bill was a forward step but it was wanting in many particulars. The Minister of Finance, it will be recalled, moved an amendment to the effect that there should be included in the provisions of the bill certain features that were not included. We were told, not in an amendment, but in a whole series of speeches by hon. gentlemen when they were in opposition, that in addition to not covering tuberculosis and mental illness the bill was wanting because it did not provide for sharing alike with the provinces in the matter of depreciation. There were many speeches made by hon. gentlemen opposite that, in addition, the federal government should share in the cost of administering the scheme.

Now what is the attitude of the government with regard to these questions? Have they now decided, confronted with the responsibility which is theirs, that they do not propose to accept in government what they urged when they were in opposition? What is the reason that provinces like New Brunswick and Nova Scotia are not in the scheme? The situation before the election was this. Six provinces had accepted the federal proposal; they were the provinces of British Columbia, Alberta, Saskatchewan, Prince Edward Island, Ontario and Newfoundland. The governments of New Brunswick and Nova Scotia were in intense negotiations, not only with the officers of the department but with myself. In answer to the question put by the member for Winnipeg North Centre, may I say that after the dissolution of this house and during the course of the election, I took advantage of my unsuccessful mission to certain parts of Nova Scotia to discuss with the premier of that province matters having to do with the acceptance by Nova Scotia of the hospital insurance proposal the federal government had made.

I can say that the negotiations I had with Premier Stanfield resulted in marked progress, and I had reason to believe that there was a likelihood of that province coming in. As a matter of fact the next day the premier of Nova Scotia made a statement in which he said there was no question that the Nova Scotia government would accept the proposal put forward by the federal government. Later I saw the minister of health for Nova Scotia and the minister of health for New Brunswick in Montreal, again during the course of the election, where I had a more successful mission, incidentally. They both indicated, in the presence of each other, the great likelihood of their provinces coming in. Now why have Nova Scotia and New Brunswick not come in since June 10; what reasons have they in their minds today for not having accepted the proposal to which, at that time, it was evident they were giving favourable consideration?

Is it because this government has now taken some steps which are not acceptable to either one of these provinces? I do not know; we have had no statement on this matter from the government. We do know, however, that the government of the province of Nova Scotia has set up a second body to study from the point of view of Nova Scotia the advantages of this particular hospital insurance proposal of the federal government which is now part of the law of the land.

Has something developed in the meantime which causes them to feel they could not get from this government, under this law, the same kind of deal, for the extension of which the previous administration had received the approval of parliament? Do they feel that possibly because they share the same political conviction or ideology with the present government they might get a better deal? If that is the case then there should be no difficulty in the way of the Minister of National Health and Welfare (Mr. Monteith) telling us just what is the situation.

However, here is the picture today, and it is a serious one, in so far as implementing this measure is concerned. Premier Frost has indicated that he proposes to bring in his act on January 1, 1959. It will be recalled that last winter the Prime Minister of Canada, in correspondence with the premier of Ontario, urged that premier to bring in his scheme at an early date and, while the then prime minister recognized that this was a matter exclusively within the control of the province of Ontario, he wanted Premier Frost to know that if he could bring in his measure before January 1, 1959, he would have the support of the federal government and, providing the necessary conditions embodied in the legislation were met, the federal government would be prepared to share with the government of that province the cost of hospital insurance in the province of Ontario.

Now Premier Frost has indicated the rates which will be charged to insured people in Ontario under his plan. That of course is a matter over which this parliament has no control or authority, but it does indicate that he is moving along with his scheme. Furthermore I know from my own conversations with Mr. Swanson, the head of the hospital insurance commission in Ontario, that the authorities were making and are making every preparation for the implementation of their measure—so far as they are concerned —on the date Premier Frost has set for himself. But, under the act—and this is

what the government must bear in mind—if when Premier Frost comes to set in motion his measure there are not the number of provinces with schemes in force, not in operation as the hon. member for Winnipeg North Centre properly pointed out no payments will be made by the federal government to the province of Ontario. No one would quarrel with the government of that province if there was a delay in the implementation of its scheme if they could not count on the federal government paying its share of this very laudatory but expensive proposition respecting the health of the people of Canada. So for that reason hon. gentlemen on this side of the house have every justification in pressing the government and prodding the government into action so that there will in fact be no delay on January 1, 1959, in the implementation of the scheme in the province of Ontario or in any one or other of the other five provinces.

Now the hon. member for Winnipeg North Centre says, as he said last year and on other occasions, that there is a way out of that situation. That way, he says, is for the federal government to pay money to any province which has a scheme in being. Now that looks like a very attractive proposition but I think, on analysis it is one that really cannot stand up. I say this because in British Columbia they have had a hospital insurance scheme for a number of years; they have had a hospital insurance scheme for a longer period of time in the province of Saskatchewan, and that argument would have applied equally four, five and ten years ago as well as, it is urged, it applies today or as it did when the hon. member for Winnipeg North Centre made it last spring. The refusal of the federal government in that particular is based upon the sound proposition that it has no right to ask all the taxpayers of Canada to foot the bill for benefits—no matter how good they may be—for a minority section of the people of the country with respect of a particular provincial enactment. That is the principle behind our proposition and if it should eventuate that this present government changes its position in this particular, then I think other provinces will be in a strong position to say "Well, what you have done"—let us say Ontario—"you should have done for us a long time ago."

It is for those reasons that this government owes it to the house to tell us what negotiations have been carried on since they came into office, if any negotiations have in fact been carried on. We were told by the Minister of National Health and Welfare that his officers are ready at all times to discuss these matters with the provinces. Well I say to him, of course the officers of the public services are ready at any time to discharge their duty, but that was not the question and it is not the question. What is this government doing to see that it makes itself available and what is it doing and what is the minister doing to further these negotiations with the provinces? That is the real question and unless we get a satisfactory answer to this interrogation we have the right to conclude that this matter of hospital insurance is going to be very considerably delayed indeed.

That is the proposition of which the province of Ontario should be aware, as I am sure it is, because last April in another room in this building I sat with my officials and those from the Department of Finance and from the province of Ontario, and it was pointed out by the provincial treasurer of Ontario at that time just exactly what the position would be in which Ontario would find itself unless we were energetic in our negotiations with the other provinces in getting them to accept the terms of Bill No. 320. The provincial treasurer said, "We will have taken great steps in regard to other insurance schemes with labour, management, insurance companies and so on and there will be nothing but confusion in the province of Ontario unless we have some assurance at some stage"—which would have been about the month of September last—"that we can expect payments to be made by the federal government."

Now that was the position at that time and we therefore sat down with the provinces to discuss with them the terms of the kind of master agreement that we would want to conclude between the provinces on the one hand and ourselves on the other. What progress has been made with regard to that kind of agreement?

When we left office we had exchanged the terms of the proposed clauses with various provinces. What has happened since that time? Has an agreement with Ontario been signed. We certainly would have signed an agreement, I am sure, by the end of June and certainly not later than the end of July.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Well some hon. gentlemen say, "oh, oh". I am saying I know whereof I speak. When I talk about these matters I can talk, as hon. members in this house know, about something into which this party and I have put our best endeavours over a long period.

What is the situation in regard to Saskatchewan? Saskatchewan has had hospital insurance for some time. There would have

been no difficulty about an agreement with Saskatchewan, and, but for one point—that was the question of residence—I do not think there would have been any difficulty in connection with an agreement with the province of British Columbia. What has happened with regard to those two provinces? What negotiations are taking place? What is the state of participation by those two provinces? These are surely legitimate questions which one should, and can, put with propriety tonight to the Minister of National Health and Welfare.

What about the province of Prince Edward Island? Have officials of the department gone down to Prince Edward Island within recent months to discuss the terms of the main agreement? Have there been any preparatory steps taken in that or any other province which has already consented to the scheme? These are questions the answers to which will be the kind of argument or the kind of evidence which will establish in our minds and in the minds of the people of this country whether or not this government really intends to bring in hospital insurance at all.

Mr. Diefenbaker: Will the hon. gentleman allow a question? I followed his statement with great interest, and I should like to ask him this: if the answers he receives are not satisfactory or adequate, does he still intend to follow his leader in a vote of confidence in this government?

Mr. Martin (Essex East): The hon. Prime Minister is too experienced a lawyer to expect that a catch question can fool me. I do say this: from the public life of my leader I do not find much difficulty in following him anywhere and, secondly, if the answers are in the negative I will continue to prod the right hon. gentleman as strongly as I can. He knows perfectly well that if the answers are in the negative the acceptance of this particular amendment does not further the matter one way or another; all it would mean is that the right hon. gentleman would no longer enjoy the great luxury of being Prime Minister of Canada.

It should not be forgotten, Mr. Speaker, that this bill was put on the statute books at a time when it did not have to be put on the statute books, in conformity with the announcement of policy which had been made in regard to this matter. The hon. member for Winnipeg North Centre will, I am sure, agree with me in this, that when we met the provinces we said that once six provinces had expressed their intention of accepting the proposal of the federal government we would take the necessary legislative steps to implement our end of the bargain. The hon. member and his leader nod their heads. We introduced this bill in parliament when we did not need to introduce it, in accordance with our declaration of policy. At that time only five provinces had accepted. Nevertheless, as an earnest of our intention—

Mr. Knowles (Winnipeg North Centre): And in response to pressure.

Mr. Martin (Essex East): Well, I am not going to deny that the hon. member does serve some purpose in this house on some occasions; that is why he is here. But the fact is that we put the act on the statute books before there was any requirement on our part to do so. Hon. gentlemen criticized us, and they continue to criticize us, for maintaining the principle of acceptance by six provinces. I explained at that time—and I have evidence to confirm this—that, first of all, we did not believe that in a matter of this sort, where there is divided opinion, it could be justified that all the taxpayers of Canada should be called upon to pay for something for a minority group, and if we had not insisted on the principle of six consenting provinces we would not have this approximation tonight of a national hospital insurance scheme or, rather, of a scheme which would be nationwide in its scope. We would not have had certain provinces in it. We kept saying that in this house; we kept pressing that on the provinces in the negotiations in which I took part in every province except one, where we got the required consent. Not that my participation brought about specific agreements, but it was an indication of the determination of the government of which I was a member to do everything it could to persuade the provinces to accept a measure which we believed to be in their interest.

Mr. Speaker, there can be no doubt about the importance of this question. This is a matter which has required careful collaboration between the provinces and the federal government. It is a matter which is going to involve an expenditure of considerable sums of money, roughly half the cost being shared by the federal government. It is true that some provinces, the wealthier provinces, are receiving less from the federal government than others, but we developed a plan of financial assistance which took into account the needs of the poorer provinces. Assistance in the case of Nova Scotia would amount to well over 70 per cent and in the case of New Brunswick close to 70 per cent. It would seem, therefore, that there can be no legitimate reason for those provinces, having in mind the great financial benefits to them, not coming into the scheme unless this government sitting on your right, Mr.

Speaker, has put some obstacle in the way which is not yet apparent to us or to the people of Canada.

Mr. MacInnis: The people of Nova Scotia never accepted anything from you.

Mr. Martin (Essex East): The hon. member was never more correct in his life. They did not.

Mr. MacInnis: They never accepted it from you. It was only acceptance in principle. There was nothing definite.

Mr. Martin (Essex East): The hon. member has not followed too carefully what I said. But I say this to him: his constitutents—the men who work in the coal mines—are the ones who in Nova Scotia are asking that the government of Nova Scotia should accept this.

Mr. MacInnis: You are wrong there.

Mr. Muir (Cape Breton North and Victoria): Have you followed some of the reports of our mine workers union with regard to this?

Mr. Martin (Essex East): The hon. member indicates that perhaps they are not anxious. He sits on the government side. He is now indicating that this government has some doubts about this hospital insurance bill. If that is the case, then I hope the government will soon acquaint us with an intention which, apparently, the hon. gentleman has just now revealed. Apparently this government does not feel so sure, if what the hon. member said is right, and if the indication given by the hon. member is correct, perhaps this government is now taking a second look at this measure and thinking now that we have increased old age pensions and brought in these other social measures we cannot go any further. I don't agree with that position, of course.

Mr. Muir (Cape Breton North and Victoria): On a point of privilege—

Mr. Speaker: The hon. gentleman knows he cannot interrupt to ask a question unless the member who is speaking yields the floor.

Mr. Martin (Essex East): I yield the floor.

Mr. Muir (Cape Breton North and Victoria): I was just wondering if you had followed some of the reports from our mine workers union and so on with regard to this question.

Mr. Martin (Essex East): Yes, I have. The mine unions, I know, want more than this. But I have not yet seen any mine union or any union which has not joined with the Canadian Congress of Labour in the tribute it paid to the former government for bringing in this particular measure.

[Mr. Martin (Essex East).]

Mr. MacInnis: There is definitely no affiliation between the miners' locals and the Canadian Labour Congress.

Mr. Martin (Essex East): I hope that as a result of the action already taken by the government involving well conceived modifications of social measures introduced by those who sit on your left, Mr. Speaker, we are not now going to be told that because of the financial implications of these measures we cannot expect action on the part of this government with regard to hospital insurance.

This measure is now the law of the land. If we had been sitting on your right, Mr. Speaker, there could be no doubt but that we would have made and concluded agreements with all the consenting provinces, and if we had not we would not have come back to this house and placed any province in the embarrassing position like the one which unless something is done, is bound to confront the province of Ontario. I therefore say with confidence that this is a measure which will mean a great deal to the people of Canada. This is a measure that will provide for individuals receiving at the hands of the taxpayers of Canada, and through their own contributions in the provinces as well as their own participation in the tax loads imposed on them by the federal government, benefits that will be of the greatest social significance and it would be nothing short of a tragedy if this government, now reluctant to commit its opinions to this house and to the country, were to take any steps or avoid taking any steps that would delay a measure which means so much to the people of Canada.

Mr. Knowles (Winnipeg North Centre): Why don't you vote the way you speak?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I would first of all, of course, take great pleasure in setting at ease the mind of the former minister of national health and welfare (Mr. Martin). He seems to be so concerned—

Mr. Martin (Essex East): That is right.

Mr. Monteith: —as to just what is the purpose of this government. I think I can assure him before I conclude my remarks that we have been progressing very favourably and I venture to say just as rapidly as he could progress in this position if his government had been returned to office on June 10.

Some hon. Members: Much more so.

Mr. Monteith: Due to the complexity of the agreements and the need for consultation with the provinces and so on I am quite convinced that no agreements could have

been concluded and actually signed prior to this date. During the course of my remarks I will endeavour to point out to the hon. member for Essex East just what stage of development these agreements have now reached. Before doing that, however, I would like to remind hon. members that this is a want of confidence motion. As a consequence, without any further remarks and just to show how silly the situation is, I believe I could sit down at this moment and the government would be definitely sustained.

Mr. Knowles (Winnipeg North Centre): Trained seals over there now.

Mr. Monteith: Yes, but they are not all on this side; there are still trained seals in the other parties.

Mr. Pickersgill: Some of them are pretty slippery.

Mr. Monteith: Despite all the talk, as a result of such a vote a majority in this house would indicate that they believe we are taking whatever immediate steps should necessarily be taken to implement hospital insurance in Canada. There can be no other interpretation. As I said, this government would be sustained on a vote and without any discussion whatsoever. As a consequence, a majority in this house believe that we have been taking whatever immediate steps should be taken despite the terms of the amendment.

An hon. Member: Tell us about it, then.

Mr. Monteith: Mr. Speaker, we are as well aware of all the points brought out by the previous speakers as they are. We have been studying this act and the implications of it as well as the future agreements with the provinces. I would remind the house that this legislation was passed last spring and incidentally it took the present chief opposition party the period of time that has elapsed since 1919 to get around to bringing in this legislation.

I wish to point out some of the steps this government has taken since it assumed office in the field of health insurance. First of all, all the interested provinces have been visited by the officials of my department for consultation.

Mr. Martin (Essex East): When?

Mr. Monteith: A few weeks ago the minister of health of Newfoundland was here in Ottawa consulting with me. Only last week the newly-appointed chairman of the hospital services planning commission of Nova Scotia, Mr. Black, visited me in Ottawa. Next week there is to be a meeting between the officials of the department of health of Ontario and my own department. These are only a few of the over-all meetings and consultations which have been in progress over the past few months.

Mr. Marler: Has there been any action?

Mr. Monteith: Plenty of action, more than there would have been if you had been in power. In the last two weeks I have personally met with the medical advisory committee of the Canadian Medical Association, the Association of Canadian Medical Colleges which represents the deans of all the medical colleges in Canada, the Canadian Hospital Association and the Dominion Council of Health. As I say, that was within the last two weeks. All these associations are definitely concerned with the application of our hospital insurance scheme in terms of how it is going to benefit Canadian citizens. All these bodies expressed their wish to co-operate with the Department of National Health and Welfare and also with the provincial authorities concerned. I would like to stress here that this is a co-operative enterprise in conjunction with the provinces. We, as the dominion government, are not forcing the pace.

Mr. Marler: That is true.

Mr. Martin (Essex East): Ah, ha!

Mr. Monteith: This is a matter of co-operation and we are taking the provinces into consultation and working closely with them. That is the only way success can be achieved. We are not forcing something on the provinces. The provinces are moving forward with their plans and we are assisting in whatever way we can. We are always available for consultation and assistance.

On November 13 in reply to a question asked by the hon. member for Winnipeg North Centre (Mr. Knowles) the Prime Minister (Mr. Diefenbaker) said in effect that if the premiers of the provinces wish hospital insurance matters to be discussed at the forthcoming conference on November 25 and 26 an opportunity would be given to discuss these matters fully.

Mr. Knowles (Winnipeg North Centre): But what was the question?

Mr. Monteith: You asked the question, you should know.

Mr. Knowles (Winnipeg North Centre): I do.

Mr. Monteith: The hon. member asked if an opportunity for discussion of hospital insurance would be provided at the first opportunity. My department is arranging a conference of provincial technical officials in December to assist in ironing out any differences of opinion, regulations, etc. The hon.

member for Winnipeg North Centre appears to believe that this is an extremely simple matter. I would simply like to mention a few of the issues which have to come up for discussion at this time and I hope he will see, as I hope all other hon. members will, that this is a most complicated situation. I am quite sure the hon. member for Essex East will agree with me that he had not any idea when he was minister of this department that the whole thing could be put into force overnight. We have never said we would put it into force immediately. I have never taken any other stand but that we would put it in force as soon as we conceivably could.

Amongst the considerations which have to be discussed at this conference of technical officials of the provinces and my own department in December are the following: draft regulations, the draft agreement, the details required of provincial schemes for administration, medical problems related to the program, nursing education, the method of sharing calculated costs, the nature of reports and statistics and discussion with regard to certain groups now covered by the federal government.

Maybe it seems easy. Maybe, at one time, when I sat over there, I thought these things were easy; but I am sure the hon. member for Essex East will agree that these things are complicated; they do require consultation. We have acted in complete co-operation with provinces which are interested; we have followed through; we have wasted no time whatsoever.

Mr. Pickersgill: What about Manitoba?

Mr. Monteith: Yes, Manitoba, too; we have wasted no time there at all.

Mr. Pickersgill: Two months to get an answer to a letter.

Mr. Monteith: Mr. Speaker, I should like to say that we are acting promptly, and we intend to come up with a hospitalization scheme which is possible of implementation in co-operation with the provinces and for the betterment of all Canadians.

I should like to say a word about the interpretation of the term "in force". The hon. member for Winnipeg North Centre asked me a question on November 11 last. There were two or three questions. The final question on his part was as follows, as reported at page 942 of *Hansard*:

> 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.]

My answer was:

> Mr. Speaker, in my studies at the moment concerning the act I have every intention of doing that.

I have done that; I said I would study this. I have, and I have had a legal opinion. I should like to read section 6 subsection (2) of the act:

> No contributions shall be paid under this act until at least six provinces, containing at least one-half the population of Canada, have entered into an agreement, and the provincial law in relation to those provinces is in force.

The legal opinion I have is as follows:

> As a general guide I should think that the provisions of subsection (2) of section 6 as quoted above would be satisfied if the provincial statute has become law notwithstanding that the payment of benefits thereunder may by the terms of the statute be postponed to some future date.

Now, that simply means, I presume, that when it has become law in the province, no matter if they do not undertake to make a payment until some months in the future, it is still considered to be in force.

May I point out that some of the provinces have not reached the stage of development of their legislation where the question of being in force is at all pertinent. They just have not reached that stage. In an important matter such as this any final decision can be reached only after the actual legislation of the provinces concerned has been reviewed. Some may have to be amended; others, of course, have not got their legislation on the statute books yet.

There has been a lot of talk today about our being dilatory in pushing this legislation. Mr. Speaker, I can only say that we have been pushing this legislation with every intention of getting it into force as soon as possible. Let us remember that there are still many important points to be decided. Most of those important points must be resolved in consultation with the provinces. We have to work with them. We do not settle these things alone; they must be settled in consultation with the provinces.

All I can say, Mr. Speaker, is that we are going forward with this legislation very rapidly. We have every intention of following it through without delay. We are going forward orderly but hastily. We do intend to come, and will come to a satisfactory and a beneficial conclusion which will react to the benefit of all Canadians.

Mr. Martin (Essex East): My hon. friend asked me a question at the outset, and my answer—

Mr. Monteith: Did I ask you a question?

Mr. Martin (Essex East): I understood the minister to ask me a question.

Mr. Monteith: No, I did not.

Mr. Martin (Essex East): I understood the minister to ask me a question. My hon. friend says no. The reason why we are taking the position we are is that, as he knows well, if this government were defeated on this measure we would be delaying the implementation of hospital insurance for some months.

Mr. Monteith: I understand your excuses.

Mr. Pickersgill: We do not understand your excuse.

Mr. Diefenbaker: That is a subterfuge of the first water.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I am sure the house and the country is indebted to the usual diligence of the hon. member for Winnipeg North Centre (Mr. Knowles) for having brought this matter before the house and the country at this time. It has had at least this much effect, that for the first time since this house went into session we have had a statement from the Minister of National Health and Welfare (Mr. Monteith) as to some of the steps that have been taken to bring this legislation into effect. We have been told at least this much, and I am sure it will be of great comfort to the provinces that the government is available for consultation.

The spokesman for the official opposition in this matter, the hon. member for Essex East (Mr. Martin), in his contribution was almost amusing because it occurred to me that he was under great difficulty in making his presentation; and the great inconvenience under which he was working will be realized when we know that he had to check on his speech with the Leader of the Opposition (Mr. St. Laurent) before he chewed the heck out of the government. As he went along he tried to leave the impression that in this case the hon. member for Winnipeg North Centre was in some strange and weird way joining with the Liberals to do something. Now what would he be joining with them to do? On this question the government has been giving us nothing but profound silence up until now, and the only thing in which we could have joined with the Liberals in this matter would be to make the silence more profound because they had nothing whatsoever to say about it until the amendment came before the house.

Mr. Martin (Essex East): Oh, yes.

Mr. Zaplitny: As a matter of fact, as the hon. member for Essex East went on with his speech one could not help but get the impression that he was quickly reaching the point where he was almost saying "I wish I had moved that amendment myself".

Mr. Martin (Essex East): If it were not for the peculiar situation in which we are I certainly would have.

Mr. Zaplitny: But there were two statements, one by the hon. member for Essex East and the other by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) to which I must take issue on a matter of principle. Both of them stated that in their opinion the chief reason why the government could not move until they had six provinces in agreement on this matter was—and I think I took the words down correctly—that in principle they object to all the people of Canada paying for something of which only a minority of the people could take advantage. When you lay that alongside the attitude of the same members of the previous government—and we remember the attitude they took with relation to the Trans-Canada pipe line, where they were quite prepared to have all the taxpayers of Canada contribute very handsomely to a few Texas millionaires who were going to have all the advantage,—then it is a little difficult to follow them in that principle.

The reason why I intervene in this debate at all, Mr. Speaker, is to try to get an answer to something which we have endeavoured to find out from the government, and which the minister in his reply has not yet disclosed.

The question is where the government stands in relation to its pledge made before and during the election campaign that, in their opinion, tuberculosis and mental illness should be included under this legislation.

We have a particular interest in this matter in the province of Manitoba because for some time it was given out to us in Manitoba by the provincial government that it was on this matter they were trying to make up their minds; in other words, that that was the reason for the delay by the province of Manitoba in declaring its intention as to participation under this legislation. Only very recently, according to a report in the Winnipeg *Free Press,* the minister of health and welfare in the province of Manitoba had something to say about this matter. I will quote from the report which reads in part as follows:

> Hon. W. Bend, Manitoba health minister, said Wednesday Prime Minister Diefenbaker laid it down as "a matter of principle" for the Conservative party that national hospital insurance should cover TB and mental patients, and he added that the Prime Minister "cannot break faith".

Those last three words are in quotation marks, "cannot break faith". It is not clear whether those last three words are a declaration of confidence or a veiled threat. But in any event in the opinion of the minister of health of Manitoba this present administration and the party that is in power is firmly committed to the inclusion of tuberculosis and mental illness under this legislation. On various occasions since this house met we have endeavoured to find out from the minister what the situation is and in the answers given, we have a contradiction which I should like to point out and I hope that some other member of the government,—perhaps the Prime Minister (Mr. Diefenbaker) himself—will stand up before the debate ends and clear up this matter once and for all. I find that on October 31 as reported at page 599 of *Hansard,* the hon. member for Bonavista-Twillingate (Mr. Pickersgill) asked the following question:

> 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.

Here was the answer given by the Minister of National Health and Welfare (Mr. Monteith):

> Mr. Speaker, I think the hon. member will find that it is the intention of the government to carry out all its campaign pledges.

He might have made that statement on the spur of the moment and he may have been trying to be facetious about it but I can assure him that that answer was very carefully noted in the press in western Canada and, as a matter of fact, as a result of that answer it was stated by the premier of our province and the minister of health in our province that they accepted that as a clear indication that it was the intention of this government to include tubercular patients and mental patients under this legislation.

But I find that on November 4 I addressed to the Prime Minister a question which arose out of actual reports in the Winnipeg newspapers saying that at last the government has announced in the house officially through its Minister of National Health and Welfare that it intended to include those two categories of illness under the act. I addressed the following question to the Prime Minister on November 4, as reported at page 701 of *Hansard*:

> 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?

The Prime Minister replied as follows:

> Mr. Speaker, there has been no commitment, direct or indirect.

At the time I wondered why he added those last three words "direct or indirect", because he could have argued there was no direct commitment in the sense that neither he nor any minister of his government had officially communicated with the government of Manitoba to inform them that the government had now adopted as a policy the inclusion of those two categories of illness. But when he said "direct or indirect", it could have had only one implication, namely that he was repudiating the answer that had been given by his own minister on October 31, wherein the minister had said it was the intention of this government to carry out all its election pledges; and in the context of that answer he was referring particularly to the question of the inclusion of those two categories.

It appears to me, Mr. Speaker, that what the Minister of National Health and Welfare said on October 31 was contradicted or repudiated by the Prime Minister on November 4. That is the only impression that was left in my mind and that was the impression that was left in the province of Manitoba. That leaves the government and the people of Manitoba in exactly the same position they were in when they started. They still do not know what the position of this government is with regard to the inclusion of tubercular patients and mental patients. It is a matter of interest not only to the people of Manitoba but to all the provinces across this country. It is a matter which will have to be taken into account in the setting up of the legislation which the provinces will have to put on their statute books to deal with this matter, in the calculation of the cost, and in the calculation of what premiums if any they will have to pass on to the individual under this scheme.

I see no reason whatsoever why the Prime Minister, in the course of this debate, cannot rise in his place and clear up this one simple elementary question: Is it or is it not the intention of the government to do something during the course of this session to implement the promise which they so clearly made on many occasions to improve the present legislation by including tuberculosis and mental illness under the act? If the government will not disclose their stand on that question today, then the only inference we can draw from that fact is that they are backing away from the election pledges which they made and we even have reason to be suspicious, along with the hon. member for Essex East (Mr. Martin), that the government is backing away from the whole proposition of a national health insurance plan.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I think this debate today has served a very useful purpose. I think the debate has forced the hand of the minister. It would suggest to me that, in view of his statement in this house on Monday last, he has made a great deal of progress. In addition to noting his remarks at the end of his statement on Monday last in which he referred to being quite prepared to take this question of definition into consideration, I think one should also have on the record his remarks in answer to the question asked by the hon. member by Winnipeg North Centre (Mr. Knowles) as to the definition of "in force". At one point the Minister of National Health and Welfare (Mr. Monteith) replied as follows, as reported at page 942 of *Hansard:*

> 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.

So I suggest that this new legal definition which the Minister of National Health and Welfare gave to the house tonight is sufficient reason or sufficient accomplishment to warrant the debate that took place in the house today on this very important question.

I am indeed surprised that a party which earlier this calendar year was in such a hurry to have a national hospitalization program should now be so slow in advancing the date of this program coming into effect. As has already been stated, last session the hon. member for Lanark, Dr. Blair, moved a motion which I think was an excellent one putting the position of the official opposition at that time, namely that a scheme of hospital insurance should not have to wait until six provinces have their plans either in operation or in force, but moneys made available by the federal government should be available to one province that had its scheme in operation.

I certainly do not agree with the statement of the hon. member for Essex East (Mr. Martin) that it is always necessary for a federal government to wait until the majority of the provinces comprising a majority of the people of this country are prepared to advance legislation before the federal government should be prepared to give a lead. It has been suggested to me by the hon. member for Rosetown-Biggar (Mr. Coldwell) that that was not the suggestion in the old age pension plan; that was not the suggestion in the amendments that were made in this very session to statutes that required contributions by the provinces. Instead the government said that any time a provincial government was prepared to match such things as disability pensions, then the federal government was prepared to pay the money for the additional amount that could be provided. Even this government does not always wait until a majority of the provinces containing a majority of the people of this country are prepared to act.

I do not see that that is the role of the federal government, that legislation necessary to the welfare of the people of this country should wait until the provinces with a majority of the population are prepared to go ahead in a certain direction. Indeed, the former government, of which the hon. member for Essex East was a member, has not always taken that attitude. They did not take that attitude with regard to unemployment insurance. They did not adopt that attitude with regard to the trans-Canada highway.

Mr. Pickersgill: Unemployment insurance is a national scheme, and always has been.

Mr. Argue: We have heard for so many years that the provision of benefits to take care of the unemployed is a matter of provincial jurisdiction.

Mr. Pickersgill: May I ask the hon. gentleman a question? Was he perhaps confusing unemployment insurance and unemployment assistance, because there has never been any provincial unemployment insurance of which I am aware?

Mr. Argue: I was not confusing them at all. The party, of which the hon. member was a minister, said for so many years that the providing of assistance for the employable unemployed was a matter for the provinces. Finally the former Liberal government said that even if the provinces do not like what we are doing we are going to give leadership and we will go so far as to not ask them for one dollar of contribution to this scheme. I say, therefore, the position now taken is going backwards when it is stated we must wait until six provinces have schemes in force. My hon. friends did not take this attitude last spring.

There is one reason, though, which I can understand, for their change in position. It might be possible that they do not know from where they are going to get the money. They are hoping privately, in the recesses of their minds, that they are not going to have to pay any money under this act in 1958 and that it will be January 1, 1959 before they are called upon to pay any money. The Minister of Finance (Mr. Fleming), therefore, will not have to meet this problem in this

calendar year. He is grinning right now. I think the Minister of Finance should not always be retreating. When he was in the opposition he was in favour of a much wider and a much faster health program than he is today. I should like him to take part in this discussion and tell us why this government, now that it is in office, has not taken exactly the same position it took when in opposition, namely that the provision of a hospitalization program for the people of this country was so important that federal money should be paid immediately to any province, even though it was paid to just one province, if that province had a suitable hospitalization plan in operation.

On motion of Mr. Argue the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Chevrier: I assume the house will proceed with this debate tomorrow?

Mr. Green: We shall continue with this debate tomorrow, and if we get into supply we shall take the estimates of secretary of state, mines and technical surveys, veterans affairs—

Mr. Chevrier: In the same order as given on Friday night?

Mr. Green: No, the order is changed, and then fisheries.

Mr. Knowles (Winnipeg North Centre): And would that be the order for Wednesday?

Mr. Green: I expect so, Mr. Speaker.

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:

STEWART-CASSIAR ROAD, B.C.

Question No. 95—**Mr. Lesage:**

1. Has a survey been made by the Department of Public Works of the Stewart-Cassiar road?
2. If so, what were the conclusions reached by the survey party or parties as to route, approximate costs, etc.?
3. Has a final agreement been reached with the government of British Columbia as to the sharing of costs for the building of the road?
4. If so, what are the main conditions of the agreement?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. A full survey has not been made by the Department of Public Works. However, a preliminary reconnaissance survey of most of the route has been carried out by that department.

2. Tentative conclusions based on the preliminary reconnaissance survey are that the total cost of the Stewart-Cassiar road would be in the region of $20,000,000 and that there are two possible southern terminals apart from Stewart which might be more economical to use. However, while the cost of road construction alone might be lower in using an alternative terminal, the cost of port development might well be higher and more than counterbalance savings in the road itself. In addition, it is not certain whether the development of port facilities at the other possible terminals is practical from an engineering viewpoint. Final estimates of the total cost of the project cannot be made until much more detailed surveys and studies are carried out.

3. The final agreement has not yet been signed as there are still some points to be worked out.

4. As soon as the final agreement is signed it will be tabled in the house.

JASPER AND BANFF NATIONAL PARKS—CHAIR LIFTS

Question No. 147—**Mr. Lesage:**

1. Have tenders been received following the call for tenders issued on March 1, 1957, for gondola or chair lifts concessions in Jasper national park and in Banff national park near lake Louise?
2. If so, (a) how many in each case; (b) from whom; and (c) what are the reasons why concessions were not awarded?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Yes.

2. (a) One tender was received for the gondola lift concession near lake Louise; no tender was received for the concession in Jasper national park.

(b) The Ski Club of the Canadian Rockies (1947) Limited.

(c) The single tenderer has not submitted full details of the manner in which the development of the concession would be financed.

CHEESE—PRICE SUPPORT COST

Question No. 163—**Mr. Lavigne:**

How much has the price support on cheese cost the federal treasury during the fiscal years 1954, 1955, 1956?

Answer by: **Hon. D. S. Harkness (Minister of Agriculture):**

Nil.

HOUSE OF COMMONS

Tuesday, November 19, 1957

The house met at 2.30 p.m.

FINANCE

TABLING OF REPORT OF TARIFF BOARD

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I should like to table copies in English and French of a report which I received yesterday from the chairman of the tariff board. It is the board's report on reference No. 124, fruits and vegetables. The report is accompanied, as is usual, by a transcript of the evidence received by the board at its public hearings.

I know there will be widespread interest in the contents of this report, both on the part of hon. members and on the part of fruit and vegetable growers, processors, and others concerned. For that reason the tariff board, with my approval, gave priority to the completion of this report and a special effort has been made to avoid any delay in tabling it. In that connection I wish to thank my colleague, our gracious Secretary of State (Mrs. Fairclough), for facilitating the prompt printing of the report despite the fact that the Queen's printer was heavily committed on other work.

The tariff board reference arose from the fact that in recent years there had been representations from producers pointing to important changes in techniques of production and methods of distribution, as well as in prices, of fresh fruits and vegetables. It had been suggested that the system of seasonal tariffs was in need of revision. The tariff board was therefore asked to make a study of the items in the Customs Tariff covering fresh fruits and vegetables of a kind grown in Canada and, if such study indicated that amendments to the Customs Tariff were desirable, to prepare a revised schedule of tariff items, with recommendations as to rates of duty. The board was asked also to indicate any consequential amendments which might be required in the tariff items covering the same fruits and vegetables in processed form.

As I have so recently received the tariff board's report, there has not been time for my colleagues and me to make a thorough study of its analysis of the situation and its recommendations as to future action. I am, however, in a position to give the house at this time some indication of the nature and extent of the proposals contained in the report.

The tariff board received briefs from the Canadian Horticultural Council, processors' representatives, the Canadian Association of Consumers, and others. It held public sittings in Ottawa for three days in July and two days in September. In formulating its recommendations the board appears to have taken account of representations included in the briefs and evidence placed before it at the sittings.

The board's recommendations follow the council's suggestion for the continuation, in principle, of the present statutory provisions for fresh fruits and vegetables. These provisions are intended to give greater protection during the Canadian producers' main marketing season than in the off season. They consist of a basic ad valorem rate of 10 per cent for which may be substituted seasonal specific duties. These seasonal rates have generally a considerably higher ad valorem incidence than the 10 per cent off-season rate. The duration of the application of the in-season rate varies from product to product, depending on the length of the Canadian marketing season.

The tariff board had before it requests from the Canadian Horticultural Council and processors' representatives for 45 changes in the tariff. The requested changes included increases in seasonal specific and other duties, extensions in the periods of application of seasonal duties, the dividing of the application of such duties into two separate periods, and combinations of these forms of tariff protection. The board in its report recommends the adoption in full of the council's proposals in respect of potatoes, asparagus, cauliflower, corn on the cob, lettuce, parsnips, sour cherries, cranberries and prunes. The board further recommends the adoption in part of the proposals in respect of brussels sprouts, cabbage, carrots, celery, cucumbers, mushrooms, onions, peppers, apricots, peaches and pears. Consequential amendments are recommended in the duties on canned and frozen asparagus, frozen brussels sprouts, canned mushrooms, canned apricots, canned and frozen cherries, cranberry jelly or sauce, canned and frozen peaches, and canned prunes.

In its report the tariff board notes that at the public sittings there were suggestions that there should be recourse to the principle of fixing values for duty purposes. The board, however, made no recommendations on this matter, as being beyond its terms of reference.

The Canadian Horticultural Council submitted a request that an additional duty be charged on vegetables imported prepacked in consumer-size polythene or cellophane bags. In making the request the council stated that the bags, if imported alone, would be dutiable at 20 per cent ad valorem whereas for prepackaged vegetables they were dutiable only in so far as they added to the gross weight of the vegetables. Another reason for the request was that the shipping of vegetables in this form led to a greater degree of trimming and preparation, thereby reducing the ad valorem equivalent of the specific duty.

In the light of its study of these representations the tariff board recommended that an item be inserted in the Customs Tariff to provide that an additional duty be charged on certain vegetables when imported during periods of seasonal specific duty in packages weighing five pounds or less. The vegetables to which this provision would apply are green beans, brussels sprouts, carrots, beets, cauliflower, lettuce, peas, parsnips and corn on the cob.

As I have said, the government has not yet had an opportunity to consider the recommendations presented in the report which I have just tabled. I can, however, assure hon. members that the report will be studied carefully, and that the government will give serious consideration to the tariff board's recommendations. If we decide to take action along the lines of these recommendations we would expect to take the necessary steps in conformity with the general agreement on tariffs and trade.

AGRICULTURE

BUTTER—ANNOUNCEMENT OF CHANGE IN PRICE SUPPORT

On the orders of the day:

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I should like to announce that the price support on first grade creamery butter has been changed by adding butterfat in any form which the agricultural prices support board may specify. At the same time the government has added to the list of products under import control, butter oil and any other form of butterfat containing 55 per cent or more of butterfat. Butter oil imports have been increased during the past few months, and it has been deemed advisable to control the imports so that the butter price support program will not be affected.

IMMIGRATION

EDDIE CALLAHAN—REPORTED ISSUANCE OF DEPORTATION ORDER

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Acting Minister of Citizenship and Immigration. I notice that he is not in his seat. If his parliamentary assistant will take this as notice it will be satisfactory.

The press of this morning carries the news that the Department of Citizenship and Immigration have served a deportation order against one Callahan charged with attempted murder and assault with attempt to maim the returning officer in the constituency of Laurier. The question I would like to ask the minister is whether he will assure the house that the deportation order will not go into effect until such time as the trial of Callahan has been held.

Mr. John B. Hamilton (Parliamentary Assistant to the Acting Minister of Citizenship and Immigration): Mr. Speaker, I understand that according to the same press report it was indicated that there would be an appeal in connection with the order in question. Therefore I do not think I should make any comment on that aspect of the order; but I do understand, sir, that any order of this type remains in abeyance until the trial on the charges takes place before the criminal courts.

LABOUR CONDITIONS

CANADIAN PACIFIC RAILWAY, WINNIPEG—REPORTED DISMISSAL FOR FAILURE TO CROSS PICKET LINE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. I wonder whether he is yet in a position to answer my question of last Thursday regarding suspension from service a week ago today of members of a Canadian Pacific Railway switching crew in the Winnipeg area who felt that they could not cross a picket line. When he answers that question will he also say whether he is aware of the press report in last night's Ottawa *Citizen* that a strike vote has been called among members of the brotherhood of locomotive engineers on the Canadian Pacific Railway, western lines, as a result of picket line incidents of this type?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I wish to assure the hon. member for Winnipeg North Centre that we are

still investigating in order to get a full report on the matter which he brought to my attention in the house last Thursday.

As to the second part of the question, I say that I am not aware of what has happened in the matter to which he referred.

Mr. Knowles (Winnipeg North Centre): Will the minister's investigation include an inquiry into that matter as well?

TRANS-CANADA PIPE LINES—ENTRY PERMITS FOR U.S. EMPLOYEES

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, I should like to direct a question to the Minister of Labour, similar to the previous question I asked on behalf of the hon. member for Port Arthur (Mr. Fisher), of which notice has been sent to the minister. Can the minister inform the house whether his department has made any recommendations to the Department of Citizenship and Immigration regarding the length of time covered by the entry permits to be given to American pipeline construction workers who come to this country for the next season's work for Trans-Canada Pipe Lines?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I wish to thank the hon. member for giving me notice of his question. The reply is that the Department of Labour has made no recommendation to the Department of Citizenship and Immigration regarding the length of time covered by entry permits to be given to American pipe-line workers who come into this country for next season's work for Trans-Canada Pipe Lines.

The present procedure is that before entry of pipe-line workers from the United States is permitted the Department of Citizenship and Immigration consults the national employment service as to the availability of Canadian workers for the particular jobs. If Canadian workers are available for the jobs in question, then entry of American workers is not permitted. Where there are no qualified Canadian workers for specific jobs, then entry of American workers is permitted.

The entry forms issued by the immigration authorities are temporary permits. The time of each permit assigned varies according to the contractor's estimate of the length of time required to do the job. These estimates are approved by the national employment service. Thus, from this point of view, the national employment service is continually making recommendations as to specific cases and specific jobs, but no general recommendation has been made by the department as such, since none has ever been considered necessary.

STATEMENT ON STRIKE OF RIVER PILOTS, KINGSTON MARINE DISTRICT

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Yesterday the hon. member for Laurier (Mr. Chevrier) referred me to a report that three foreign ships had rammed the canal locks at Iroquois, and asked for a further report on the walk-out of the Kingston district pilots.

I am glad to inform the hon. member that the press report to which he referred was apparently erroneous. The canal is continuing to operate and ships are continuing to move through the canal in substantial numbers, although in one or two cases minor damage has been caused to canal walls by ships passing through.

As far as the pilots are concerned, I have again assured their representative that my earlier offer that a scheme guaranteeing them reasonable security of employment would be worked out, if they so desired, still holds good. I also assured them that my officials are prepared to meet with them further at any time to discuss these matters. The district has not been cancelled nor is it intended that the district will be cancelled this autumn, although this course of action was at one stage requested by the pilots themselves.

I have again urged the pilots to return to work, and I understand they are meeting again today to consider their position.

Hon. Lionel Chevrier (Laurier): May I ask a supplementary question. The press report I sent over to the minister states that five ships have now rammed the locks. Is that report still erroneous?

Mr. Hees: Well, Mr. Speaker, I have not seen the latest report.

Mr. Chevrier: I sent it over to my hon. friend yesterday.

Mr. Hees: I made inquiries of my department and the answer I have given is the one prepared for me by my officials.

NEW WESTMINSTER, B.C.—STATEMENT ON LAY-OFF ON DREDGE NO. 322

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): Yesterday, the hon. member for New Westminster asked me about the rumoured lay-off of one shift of the crew of dredge No. 322 at New Westminster which he thought was to take place at the end of November. In reply may I say that there is no intention of laying off any shift.

Inquiries of the Ministry

TRADE

STORAGE FOR SURPLUS GRAIN—SUBSIDY ON FLOUR EXPORTS

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. Was the minister enunciating government policy when he spoke to the Saskatchewan wheat pool annual meeting in Regina last week and said that farmers should not be expected to provide the storage for surpluses? If so, what steps has the government taken, or does it propose to take, to carry out this policy?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, when I was speaking to the Saskatchewan pool organization in Regina on Friday I said I was sure that in the house on Monday—I was out by one day—someone would rise and ask me whether or not I had been making a statement of government policy, and my prediction was correct. I do not recall the actual words the hon. member has used; I do not recall having used them at all. Could he pin it down a little more closely in my statement?

Mr. Tucker: It is reported in the *Leader-Post* that the minister made that statement in his speech, and that he also made it in a room in the Saskatchewan hotel to a reporter.

Mr. Pearkes: The Fort Garry hotel?

Mr. Harkness: Did you have a microphone in it?

Mr. Churchill: Mr. Speaker, I have the speech here and if I can get the paragraph—

Mr. Pickersgill: Not this again, surely?

Mr. Churchill: —to which the hon. member is referring—

Mr. Sinclair: It would be easier to make those statements in the house rather than in the country.

Mr. Churchill: I would be very glad to make them in the house; I have no objection at all.

Mr. Sinclair: Let us have the budget.

Mr. Stick: Is this one of your first-class speeches?

Mr. Churchill: I cannot find the actual paragraph but I said this. There is no question about it being first class.

Mr. Gauthier (Portneuf): Let others say it.

Mr. Bourget: Who prepared it?

Mr. Pickersgill: Which button was pushed?

[Mr. Green.]

Mr. Churchill: What I said was based on a reproduction of the speech at Winnipeg of which my hon. friend from the C.C.F. is so enamoured. I used this paragraph there and what I said in Regina was a repetition of it. I was dealing with the general wheat situation, having made a survey of it, and I said:

> . . . it would seem wise to take a long-range view of our wheat problem rather than living just from crop year to crop year. I think it is wrong to consider our surplus wheat production as a millstone around our necks. Rather, we should be deeply grateful that such an abundant food supply is available.

Some hon. Members: Oh, oh.

Mr. Churchill: I continue:

> Canada has been in the wheat business now for two full generations and our wheat production is a permanent feature of our economic history.

Mr. Pickersgill: This is just one of C.D.'s old speeches.

Mr. Gauthier (Portneuf): Your best speech.

Mr. Churchill: This is a decided improvement upon Liberal policy and Liberal speeches in the past.

Mr. Pickersgill: At least he used to know what was in them.

Mr. Churchill: Then I went on to say that in times of surplus production it would be wrong to place the whole burden of that surplus carryover on the farmers, and I think it is that to which my hon. friend has referred. It is not right that the farmer alone should bear that burden under circumstances over which he has no control. Consequently I suggested, so far as our top grade wheat supply is concerned, that in times of surplus the nation as a whole should bear a greater responsibility than that of the farmer.

Mr. Tucker: May I ask a supplementary question. Do I take it the minister was just enunciating what had been done by the previous government and not suggesting that some of the burden should be taken off the farmer who has to store so much of his grain on his own farm? I took it from the statement the minister made in his hotel room, as reported in the *Leader-Post* on the 15th, and also from the report of his speech, that the minister was saying that the farmers should not be expected to provide storage for surpluses. There is as much surplus wheat on the farms as in the elevators.

Mr. Churchill: I do not quite understand—

Mr. Tucker: What I am getting at, Mr. Speaker—

Mr. Harkness: Why don't you ask your question?

Mr. Tucker: Was the minister just stating what the previous government had done and not indicating that they intended to do any more, or was he saying that they were going to do something more?

Mr. Churchill: I have been at pains to point out that the previous government did very little and that we have provided a program that will improve the situation.

An hon. Member: Explain.

Mr. Tucker: I want to know what the government is doing in this regard in addition to what the previous government did. That is what I am asking the minister.

Mr. Churchill: I will enlighten the hon. member. I have what I said here and I shall read it. I went on to say:

> Despite the fact that wheat is grown in practically every country in the world, our top grades of Canadian wheat are in a class by themselves and command a premium in the world market. These top grades should be considered a national asset, and, in years of surplus supply, the country as a whole should bear the extra cost involved in storage and carrying charges rather than have that cost become a burden on the farmer. For similar reasons we should resist the pressure to dispose of our top grade surplus wheat at bargain prices. The result of this serves only to dislocate the international trade in wheat.

Mr. H. R. Argue (Assiniboia): I have a supplementary question arising out of the minister's statement that in times of surplus supply farmers should not be called upon to bear the whole carrying and interest charges for wheat. Would the minister say whether the government has given any consideration to making this very laudable policy apply to surpluses of oats and barley?

Mr. Churchill: I am glad to receive praise, Mr. Speaker, from my hon. friend who is so knowledgeable with regard to all these problems. The surplus supply of oats and barley has not been quite the problem that we are endeavouring to solve with regard to wheat. We are quite prepared to consider reasonable means or schemes to help with that problem as well.

Mr. Argue: Would the minister not say that the carrying charges levied against income from oats and barley is one of the contributing factors to the very difficult position at the present time, in that there is no surplus likely to accrue from the sale of these commodities at present prices?

Mr. Churchill: That may be.

Mr. W. M. Benidickson (Kenora-Rainy River): I have a supplementary question, too. I should like to refer to this most interesting speech—

Mr. Churchill: Which one?

Mr. Benidickson: —to which the minister has referred; the one he made in Regina. I take it that there he said, within the last six months—

Mr. Speaker: Order. If the hon. member has a question based on the speech I shall permit it, but I do not think he ought to endeavour to read this speech which the minister has refrained from reading.

Mr. Benidickson: The minister did read it to the house. I think I have to make some reference to it, and I shall do so briefly.

Mr. Nowlan: No; ask your question.

Mr. Benidickson: The minister having said in Regina that our exports of flour—

Some hon. Members: Question.

Mr. Benidickson: —to Trinidad, Barbados and British Guiana, having been reduced very substantially in the last six months—for five months of which they hold responsibility—is the Minister of Trade and Commerce offering any policies that would not do what was asked yesterday, exceed the policies of the United States government in subsidization, but equal the policies of the United States government in meeting this kind of competition?

Mr. Churchill: The hon. member is suggesting that we subsidize our wheat which is turned into flour at the same rate as the United States government does, and that amounts to about 90 cents per bushel of wheat. If the hon. member thinks that is a suitable policy to follow he should advocate that in the house and see what support he gets for it. We are facing extraordinarily difficult competition from the United States due to that subsidization of their flour, and it is for that reason we have lost sales in those areas mentioned.

[*Later:*]

Mr. Tucker: Mr. Speaker, on the question of subsidies on wheat exports, I would ask the Minister of Trade and Commerce to what extent subsidies on wheat exports in the form of flour are involved in the answer given to my question as recorded on page 1098 of *Hansard,* where he said:

> The price at which wheat is sold to the mills for domestic purposes is the same as the price basis for export, with the exception that on flour sales to specific areas (excluding the United Kingdom, Europe, the United States and its territories and possessions) an adjustment in the purchase price of wheat is granted by the board, to enable Canadian mills to compete with suppliers from other countries in specific flour markets.

Do I understand from this that the wheat grower is subsidizing the export of flour to compete with flour exported from the United

States, which millers may get at subsidized prices?

Mr. Churchill: I am not clear about the last sentence of the hon. member's question, but there is some assistance given by the wheat board for the export of Canadian flour. It amounts to about 12 cents per bushel.

Mr. Tucker: A supplementary question, Mr. Speaker. I wonder if the minister would get exact information as to the extent to which our wheat growers are subsidizing the export of flour, in order that we may suggest that consideration should be given to the government bearing that expense instead of the wheat grower.

[*Later:*]

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, may I ask a question of the Minister of Trade and Commerce supplementary to the question asked by the hon. member for Assiniboia, referring to the well advertised speech in Regina. I would ask him why in his answer he accepted praise for the policy of the country as a whole bearing the cost of storage—

Some hon. Members: Question.

Mr. Benidickson: —on western grain rather than having the cost become a burden on the farmer, when that was a policy of the previous government?

Some hon. Members: Question.

Mr. Speaker: Order. We have had a fairly extensive discussion of the speech or speeches made in the west.

An hon. Member: The west wind blows.

Mr. Speaker: We are about to engage in the continuation of the debate on the motion to go into supply, when there will be ample opportunity to air grievances, which I think have been sufficiently debated this afternoon.

[*Later:*]

Mr. Jacob Schulz (Springfield): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. How long has this policy of subsidies on flour exports, paid by the producer, been in effect, and what was the reason for instituting such a policy?

Mr. Speaker: I understand the hon. member's question refers to the discussion—and I call it "discussion" advisedly—that took place earlier today. If so, I would ask him to accept the ruling I made when the hon. member for Kenora-Rainy River (Mr. Benidickson) referred to it.

[Mr. Tucker.]

Mr. Schulz: That applied only to speeches; it did not apply to the answer the minister gave.

Mr. Speaker: I regard it as a supplementary question, and in my opinion there have been ample supplementary questions on that subject today.

HONEY—IMPORTATION FROM THE UNITED STATES

On the orders of the day:

Mr. William Bryce (Selkirk): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. What action does the government intend to take with regard to the importation of United States honey into this country, when we have sufficient honey of our own to supply the Canadian market?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I should like to thank the hon. member for having given me notice of his intention to ask this question. I may say that in the letter accompanying the notice he indicated that he wanted an answer in considerably more detail than the question itself would perhaps call for, and thus I must apologize to the house for the length of the answer which I give.

Official honey production figures for Canada are not yet available, but the 1957 crop is presently estimated at 31,200,000 pounds as compared with 24,272,000 pounds in 1956 and 25,031,000 pounds in 1955.

Imports of honey from the United States into Canada for the first seven months of this year, January to July inclusive, totalled 2,958,741 pounds as compared with 1,590,341 pounds during the same period for 1956. Of this total, almost 2,500,000 pounds entered Canada during the first five months. Despite the increase in imports early in the year, stocks of honey on hand in Canada as at June 30 of this year were about 450,000 pounds less than the stocks on hand at June 30, 1956.

Honey imports during the months of September, October and November, 1956, totalled over 1,200,000 pounds as compared with an unofficial total of less than 300,000 pounds during the period September 15 to November 15, 1957.

Prices paid for bulk honey imported at Toronto are in line with prices quoted by the United States department of agriculture, and the delivered duty paid price is approximately 17 cents per pound, which is the same as the price for domestic honey f.o.b. Toronto. Domestic honey prices have remained practically unchanged for the past year or more.

As there is no indication that either the volume or price of imported honey is depressing the domestic market, no action appears to be warranted or is contemplated at the present time. The department is, however, continuing to watch closely both the volume of imports and market conditions in the United States and Canada.

[*Later:*]

Mr. T. J. Irwin (Burnaby-Richmond): Mr. Speaker, may I direct a supplementary question to the Minister of Agriculture arising out of a question asked by the hon. member for Selkirk. Can the minister tell us how much Canadian honey was exported in the last two years, specifically to the United States?

Mr. Harkness: Mr. Speaker, this is a question which I think should be on the order paper. Naturally I cannot answer it on the orders of the day without statistics before me.

Mr. Speaker: I agree with the minister. If the minister does not wish to take it as notice, then I suggest the hon. member should put it on the order paper, where it properly belongs.

EXTERNAL AFFAIRS

NATO—REPORTED STOCKPILING OF NUCLEAR WEAPONS

On the orders of the day:

Hon. L. B. Pearson (Algoma East): I should like to ask the Secretary of State for External Affairs whether he has any comments on a report which has been received that the Secretary of State of the United States told his weekly press conference that nuclear weapons were now being stockpiled in NATO countries.

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, in view of the fact that this question relates to two departments, the Department of National Defence and the Department of External Affairs may I suggest that the Prime Minister be permitted to answer the question.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, according to a press report this morning Mr. Dulles allegedly made a number of statements. I think I have to refer to those statements in order to answer my hon. friend. The first statement purported to have been made by him is that the United States has nuclear warheads in Canada along with missile bases to back up the early warning radar system. Mr. Dulles went on to say that the United States was studying the possible formation of several stockpiles of atomic weapons in Europe.

When these statements were brought to my attention I could only conclude that Mr. Dulles had been misquoted or misinterpreted. It is interesting to note that a press dispatch has just come in in which Mr. Dulles' statement about warheads being stationed in Canada is somewhat reduced or obliterated. The further statement is made that the opinion was apparently based on information that he received from the Pentagon. Apparently we shall have to wait until we find what Mr. Dulles said before any comment can be made on the question. But in order to make it perfectly clear, I might say that the earlier portion of that statement as to nuclear warheads being stored in Canada has no other basis than the newspaper report.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, might I ask a supplementary question of the Prime Minister. Is there any agreement at all between Canada and the United States for the stockpiling of atomic weapons on Canadian soil?

Mr. Diefenbaker: Mr. Speaker, the answer is no.

Mr. Stewart (Winnipeg North): Mr. Speaker, may I direct a question to the Minister of National Defence. Does he know of any arrangement, understanding or agreement between Canada and the United States providing for the stockpiling of atomic weapons on Canadian soil?

Mr. Speaker: That question has already been asked and answered today.

ISRAEL—STATEMENT ON REMOVAL OF ARMS EXPORT PROHIBITION

On the orders of the day:

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, on Thursday, November 14, before I came into the house, the hon. member for Algoma East (Mr. Pearson) addressed this question to the Prime Minister:

> May I ask the Prime Minister whether consideration has been given by the government to the removal of the prohibition on the export of defence equipment from Canada to Israel, and if so, what is the result of the consideration?

In reply to that question the Prime Minister on November 14 said:

> I think it—

That is the question.

> —is of sufficient moment to demand a rather complete reply, and it will be given in due course.

I now give this answer to the question. Mr. Speaker, as the hon. member knows, the export of defence equipment to Israel is only one facet of the broader question of arms export in general, which is under constant

consideration and continuous review. The role of the Canadian government in this matter is to receive applications for export permits and to deal with each on its merits.

As regards applications relating to the area in the Middle East in which hostilities occurred last year, there are two governing considerations. First, the United Nations in its resolution of November 2, 1956, recommended, in the light of the military action then taking place in the Middle East, that member states—and I now quote—"refrain from introducing military goods in the area of hostilities". This United Nations recommendation lent international authority to the decision which had already been taken on a national basis by the Canadian government of the time to withhold permission to export to the area any significant military equipment.

It is our view today that developments since the inception of that policy have not been such as to warrant the government in adopting a new policy. We intend therefore to continue to act in conformity with the spirit of the United Nations resolution unless circumstances should dictate a change.

Then there is a second factor which must be kept in mind. In view of the obligations Canada has undertaken through its participation in the United Nations emergency force now stationed on the Egyptian-Israeli frontier, the government is bound to avoid any action which would render more difficult the peacekeeping function of that force or increase the risk of hostilities which might involve its Canadian members. The government is satisfied at the present time that the policy I have described here is the best one and the one that is most conducive toward these objectives.

I would add, Mr. Speaker, that since the decision taken by the government at the end of October, 1956, there have been no shipments of military equipment to Israel. At the time of that decision, permits that had been issued and were still valid were suspended, and no new permits have since been issued.

[*Later:*]

Mr. L. D. Crestohl (Cartier): Mr. Speaker, with reference to the statement made earlier by the Secretary of State for External Affairs I would like to address this question to him. Can the minister tell the house whether any member states of the United Nations have violated or are violating the request of the United Nations not to send military equipment to the Middle East?

Mr. Smith (Hastings-Frontenac): Mr. Speaker, I will take that question as notice. I am unable to reply adequately at this stage.

[Mr. Smith (Hastings-Frontenac).]

CANADIAN NATIONAL STEAMSHIPS

GOVERNMENT POLICY RESPECTING VESSEL REGISTRATION—RETURN OF TRINIDAD CREWS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Minister of Transport this question. Did the Minister of Transport have any prior knowledge of the intention of the Canadian National Steamships to send back the aircraft carrying West Indian crews to Canada? I wonder if I may also ask him to give the house some explanation of what is happening with reference to this change of flag from Canada to the West Indies. What I was going on to say was this—

Some hon. Members: Question.

Mr. Chevrier: We had a number of questions on the order paper, and the information given was certainly not conducive to our knowing what was happening. I should like to have now, over and above the answer to this question, if I may, an explanation from the minister as to what is actually happening with reference to the transfer.

An hon. Member: Continued next week.

Mr. Chevrier: There are two questions which I have asked; one which I should like to have answered, and the other asking if the minister would be good enough to make an explanation.

Hon. George H. Hees (Minister of Transport): I am not quite sure what the hon. member wishes me to explain. In answer to the first part of his question, which I believe was—the question was started so long ago that perhaps the hon. member would repeat it.

Mr. Chevrier: Well, I gave the minister notice of this question.

Mr. Hees: I will be very glad to answer the part of the question of which I had notice, which was whether I was aware of a decision—

Mr. Chevrier: Of the intention of the Canadian National Steamships—

Mr. Hees: —of the intention of the Canadian National Steamships—would the hon. member mind—?

Mr. Chevrier: Yes. Did the Minister of Transport have any prior knowledge of the intention of the Canadian National Steamships to send back the aircraft carrying West Indian crews to Canada?

Mr. Hees: The answer to that question is yes, Mr. Speaker.

Mr. Chevrier: May I, then, ask this supplementary question. Having regard to that answer, does the minister not think he should give some indication to the house as to what has transpired with reference to the transfer of the flag, because in his statement to the house he indicated that it had the approval of the government, and later he said it was a decision of the Canadian National Steamships. I should appreciate it, and I am sure the house would, if the minister would take the house into his confidence and tell us what actually happened with reference to the transfer of the flag.

Mr. Hees: It is a very simple story. The flag has been transferred.

Mr. Martin (Essex East): What part did you have in it?

Mr. Hees: It was a decision of the management of the Canadian National (West Indies) Steamships.

Mr. Martin (Essex East): With your approval.

Mr. Chevrier: I do not want to pursue this matter unduly, but yesterday the minister said we could obtain all the information we wanted from the Canadian National Steamships, but the Canadian National Steamships, on being approached, said they had nothing to say, nor did they intend to say anything about it. That is why I am asking the minister to give us this information.

Mr. Hees: I said yesterday that the time to ask these questions would be when the management of the Canadian National (West Indies) Steamships, Limited, appears, as it does every year, as the hon. member knows, before the special committee on railways and shipping, owned, operated and controlled by the government.

Mr. Chevrier: Is the minister in a position to tell the house now if that committee is going to be set up?

Mr. Hees: It will be set up as soon as it is practicable to do so.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I would like to direct a question to the Minister of Transport. Since C.N.S. is a crown corporation, I wonder if he could tell the house what rate of salary was to be paid to those labourers who were being brought in from Jamaica to replace our own Canadian seamen?

Mr. Hees: Mr. Speaker, may I suggest I am not aware that any labourers were brought in from Jamaica.

Mr. Sinclair: Those whom you tried to bring in.

Mr. Johnston (Bow River): I said "were being brought in". Of course they were turned back, but certainly there must have been some agreement with them before they left Jamaica. What was the agreed rate of salary?

Mr. Hees: Mr. Speaker, I am not aware of any agreement that was made with any such people.

Mr. Pickersgill: Why not?

Mr. Johnston (Bow River): Mr. Speaker, may I ask the minister if he could make inquiries of the officials of C.N.S. and advise the house at a later date?

Mr. Hees: Mr. Speaker, I should be glad to.

Mr. Sinclair: There must have been some offer of pay.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I wish to direct a question to the Minister of Labour. I will admit that my question has been answered in part by the answer given by the Minister of Transport, but not fully. Was the Minister of Labour consulted by the Department of Transport or the Canadian National Steamships before a decision was made to bring in Trinidad seamen to man the strike-bound ships?

Hon. Michael Starr (Minister of Labour): No, Mr. Speaker.

HOUSING

N.H.A.—REQUEST FOR LOWER INTEREST RATES

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Finance. In view of the reduction in interest rates announced by the industrial development bank, will the government indicate whether it will arrange to have the interest rate reduced on loans made pursuant to the National Housing Act?

Hon. Donald M. Fleming (Minister of Finance): The rate of interest under the National Housing Act, Mr. Speaker, does not come under the jurisdiction of the Minister of Finance.

Mr. Howard: I beg your pardon, Mr. Speaker. Maybe I could direct the question to the Minister of Public Works, if he is the appropriate minister. I see he is in consultation.

Mr. Fleming: Would the hon. member repeat his question?

Mr. Diefenbaker: I do not know of any reason for that observation to have been made by the hon. member for Skeena. The question was not directed to the Minister of

Public Works, and I was telling him what the question was.

Mr. Howard: Mr. Speaker, that is exactly what I was waiting for. I thought the Prime Minister was informing the Minister of Public Works—

Mr. Harkness: Why did you make the observation you did, then?

Mr. Nowlan: Why did you ask the wrong person in the first place?

Mr. Chevrier: Keep your temperature down.

Mr. Nowlan: What about yours?

Mr. Chevrier: Oh, mine is away down now.

Mr. Speaker: Order. If the hon. member has a further question to ask, would he please put it?

Mr. Howard: Well, I have the same question to ask of the Minister of Public Works, apparently. In view of the reduction in interest rates announced by the industrial development bank, will the government indicate whether it will arrange to reduce interest rates on loans made pursuant to the National Housing Act?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, now that all the flurry is over, may I say that at the moment there is no intention to make any such reduction.

PIPE LINES

NORTHERN ONTARIO PIPE LINE—WINTER CONSTRUCTION

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. Notice of this question was sent by the hon. member for Port Arthur (Mr. Fisher) who unfortunately had to leave the house, and I wish to submit this question on his behalf. Could the minister inform the house whether there is any provision or plan in relation to the contracts announced by Northern Ontario Pipe Line Crown Corporation for the trans-Canada pipe line for any of the preliminary work to be done this winter? If not, has the minister any word on the likely starting date of construction?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I was grateful to receive notice of this question. The answer is that the contracts provide that clearing of the right of way must be commenced within two weeks of contract award and must be completed, including the disposal of the brush, on or before April 1, 1958. That means, Mr. Speaker, that work on that section of the line will be commenced very soon and will continue throughout the winter.

[Mr. Diefenbaker.]

Mr. McIvor: A supplementary question, Mr. Speaker. Is that not the same answer you gave to me personally less than a week ago?

Mr. Churchill: Yes.

POWER

NEW BRUNSWICK—STATUS OF BEECHWOOD DEVELOPMENT

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I would like to direct a question to the Minister of Northern Affairs and National Resources, and in his absence to the minister responsible. My question is this. Is the Beechwood power project in New Brunswick nearly completed, and is any part of it operating?

Hon. D. S. Harkness (Acting Minister of Northern Affairs and National Resources): Mr. Speaker, I would have to inquire from the power commission of New Brunswick in order to get the answer to that question. I shall be glad to do so and produce it for the hon. member at a later date.

NORTHERN AFFAIRS

NORTHWEST TERRITORIES—STATEMENT ON REPORTED RAILWAY AND ROAD DEVELOPMENT

On the orders of the day:

Hon. D. S. Harkness (Acting Minister of Northern Affairs and National Resources): Mr. Speaker, whilst I am on my feet I would like to reply to a question which the hon. member for Assiniboia (Mr. Argue) asked yesterday and which I took as notice, concerning a press report of a statement made by the deputy minister of northern affairs and national resources with regard to the construction of a railway line and roads for the development of certain areas of the Northwest Territories. I have now had an opportunity to read the address to which the report referred and also to ascertain the context in which the remarks were made.

Mr. Robertson, in his capacity as commissioner of the Northwest Territories, was asked by Carleton University to provide the final lecture in a series of four lectures sponsored by the extension division of the university on the subject "The New North". In dealing with the possibilities of future economic development in the north Mr. Robertson stated: "The main factor in the high costs of economic development in the north is transportation" and went on to deal with the inadequacy of present transportation facilities. The particular reference in the press report to which the hon. member

referred is one in which Mr. Robertson stated as follows:

A railway to Great Slave lake will cost about $65 million. It is essential if we are to get anywhere in that region. Basic resource roads to start the development of the area around Great Slave lake and north to Great Bear lake will cost perhaps $20 million.

The statement that the railway is essential is, of course, a statement of opinion. It does not constitute a statement of government policy, but I may say that the government is very much aware of the importance of developing better transportation facilities in the north and, as hon. members know, the two Canadian railways have this summer been jointly undertaking certain investigations into the problems involved in a railway to Great Slave lake.

The hon. member also asked about a reference in the press report that the cost of the railway and of development roads would constitute "a trifling amount relative to the national wealth to be expected in this region". The statement, as reported in these terms in the press report, does not represent the actual text of Mr. Robertson's remarks. Referring to the figures of $65 million and $20 million Mr. Robertson said:

These are substantial figures—but proportionately they are a trifle compared with the public cost of the C.P.R. that was assumed by 3,000,000 Canadians in 1885.

The population figure should actually have been 4,500,000. However, this does not affect the point. The point Mr. Robertson was making was that while $85 million constitutes a substantial amount, it is not nearly as large in relation to the population and wealth of Canada in 1957 as was the public portion of the cost undertaken by a much smaller and poorer population in 1885 in relation to the construction of the C.P.R. I am advised that the value of cash and land subventions to the C.P.R., in 1957 dollars, amounted to $71 per capita in 1885. The costs Mr. Robertson mentioned amount to $5 per capita.

DOMINION-PROVINCIAL CONFERENCE

INQUIRY AS TO LETTER FROM PREMIER OF MANITOBA

On the orders of the day:

Mr. Louis Deniset (St. Boniface): Mr. Speaker, I should like to direct a question to the Prime Minister regarding his answer to a question asked yesterday by the hon. member for Bonavista-Twillingate (Mr. Pickersgill). Has the Prime Minister now received the letter sent to him recently by the premier of Manitoba regarding the agenda of the federal-provincial conference? If so, will he table the letter now, as he said he would?

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

HARBOURS

WINDSOR, ONT.—REQUEST FOR ANNOUNCEMENT OF PERSONNEL OF NEW COMMISSION

On the orders of the day:

Hon. Paul Martin (Essex East): May I direct a question to the Minister of Transport. Is he in a position to tell us when he may announce the personnel of the new harbour commission in the city of Windsor?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, we have been waiting for some time for the nomination from the mayor. That has arrived, and we shall make an announcement very shortly.

Mr. Martin (Essex East): I shall be glad to help my hon. friend with the nominations.

ADMINISTRATION OF JUSTICE

SUPREME COURT OF CANADA—REPORTED WITHDRAWAL OF JUDGE FROM CASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister whether he is going to make any comment on the incident that took place in the Supreme Court of Canada yesterday morning, to which I drew his attention yesterday on the orders of the day?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, yesterday my hon. friend asked me a question in regard to Mr. Justice Locke having withdrawn from a case after counsel had suggested that he should do so. The question was:

Has the minister any comment to make on what is reported to have happened, and could he say whether this is a precedent which might be followed in other courts in the future?

I think it is traditional that ministers of the crown make no observations on the conduct of judicial proceedings or on anything arising out of those judicial proceedings, except in the manner provided for under our constitutional practice. As to whether or not this will be a precedent, may I say that will be for successive courts to determine on the basis of the circumstances that exist in the case before them. I need hardly add that, having regard to what took place in the court, Mr. Justice Locke's reputation as a great jurist has not been impaired.

Health Insurance

DOMINION-PROVINCIAL RELATIONS

NATIONAL CROP INSURANCE—INQUIRY AS TO DISCUSSIONS WITH PROVINCIAL GOVERNMENTS

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Has the minister had discussions with any of the provincial governments or with any of the ministers of provincial governments on the question of a national crop insurance plan? If so, can he inform the house as to the result of such discussions?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, when the provincial ministers of agriculture were here to see me some two or three months ago this was one of the subjects discussed. No decision was arrived at in regard to the matter. I assured the provincial ministers that I would have the matter investigated and studied in the economics division of the Department of Agriculture, and a study has been going on in that division since that time. I have had one or two interim reports, but I have nothing in the way of a final report nor have I any recommendations to make at the present time.

SUPPLY

The house resumed, from Monday, November 18, consideration of the motion of Mr. Fleming for committee of supply, and the amendment thereto of Mr. Knowles (Winnipeg North Centre).

HEALTH INSURANCE—FEDERAL PAYMENTS TO PROVINCES WITHOUT DELAY

Mr. H. R. Argue (Assiniboia): Mr. Speaker, the amendment moved yesterday by this group asks that under the Hospital Insurance and Diagnostic Services Act money should be made available without delay to any province that has a hospital plan in operation. As has already been pointed out, this is of great importance to at least three provinces in this country at this time. The thing that disturbed me in the discussion yesterday, having in mind the historic attitude of the Conservative party toward the whole problem of health insurance and hospitalization insurance, is that there is a growing body of evidence that the government is now attempting to evade, to postpone—

An hon. Member: How silly can you get?

Mr. Argue: —and to retreat from the attitude and the position it took during 1957 both in the house and in the recent election.

[Mr. Diefenbaker.]

As evidence for that statement I refer first of all to what has already taken place during this session, when there was a discussion as to the interpretation of the words "in force" and "in operation". Only last evening did we get a categorical statement from the minister that when six provinces have acts on their statute books in force, in the sense that they have been proclaimed the law of the province, those provinces that have plans in fact in operation will then be eligible for payments. After its initial retreat the government, by that statement, seems to have come up at least to the position taken by the previous administration.

But I am going to point out that this is a long way from the position taken by that party in the house during the session just before the election. How strongly, vigorously and adequately did so many leading members of the opposition of that day appeal to the government of the day that money under this scheme and under a hospitalization scheme should be made available immediately to any province that had a scheme in operation, even though there should be only one province. At that time the official opposition went so far as to move an amendment asking that that be done. Today the government is not only not prepared to make money available immediately to a province or group of provinces that have schemes in operation, but they are asking that the act be left as it has been, with the result that at least six provinces must have legislation in force on their statute books.

There is another instance in which the Conservative party has retreated a great distance from the stand it took in the house last spring and during the election. I refer, of course, to the strong plea and categorical statement made that people in mental institutions and in tuberculosis sanatoria should be covered under this act by making the provinces eligible for payments on their behalf. That position was taken by leading members of the Conservative party, and in the statements they made in the house last spring they left no doubt as to their position.

The Minister of Finance, who in those days at any rate was noted for direct and forthright statements, had this to say on that point as recorded on page 3381 of *Hansard* of April 10, 1957. In speaking on a motion to refer back to the committee, he said:

> I put before the house the ground that there can be no justification in good sense or in principle or in humanity or in the existing facts of life as applied to the financial difficulties of the provinces and municipalities of this country, for this government to try to drive a wedge between general hospitals on the one hand and tuberculosis hospitals and sanatoria and hospitals and institutions for the mentally ill on the other hand.

That was a very strong statement by the present Minister of Finance. He went on to say:

I ask the house, therefore, to send this back in order that this clause, unworthy of the Canadian parliament, unworthy of the pretensions of the government that this is a comprehensive scheme, should be reconsidered and that its shortcomings should be remedied and that the scheme should in fact be made what the minister improperly pretends it to be, a comprehensive scheme of hospital insurance.

Surely those words are just as true now as they were on April 10. Surely they are much more pertinent today than they were on April 10, since the hon. member who used those words is now on the treasury benches and in a position to make moneys available, and as a member of the government is in a position to have the legislation amended so that tuberculosis sanatoria and mental hospitals can be included under the act.

At that time the hon. member for Eglinton was not speaking as an individual member of the Conservative party. He was not speaking on his own initiative. He in fact was stating party policy because, shortly after making his statement, he was supported by no less a person than the present Prime Minister. The Prime Minister of today, the leader of the opposition of that time, had this to say as recorded on page 3386 of *Hansard* of April 10, 1957:

This legislation which is designed to bring about the beneficial results which were pictured in such lucid language by the minister just before the dinner adjournment should not remain incomplete by denying to these institutions equality with the hospitals qualified under this legislation. The legislation as it is in its present form, beneficial as it will be, acceptable as it is to members in all parts of the house, is a step in the right direction. But the goal that all of us have in mind will not be achieved until the two types of institutions to which I have made reference are included within the provisions of this legislation.

I ask why the government has not provided legislation at this session to amend the act so that mental hospitals and tuberculosis sanatoria can be included. That was part of the position taken by the Conservative party in the house at the last session. It was not, I may say, a position inconsistent with the stand taken by the Conservative party during the election. It was not a position confined only to this house. As a matter of fact it was a position that was enunciated in the election campaign itself. The hope and the promise were held out to the people of Canada that a Conservative government would correct this very serious omission.

I have in my hand a report taken from the Winnipeg *Tribune* of May 14 of this year referring to a statement made by the Prime Minister. It is in these words:

The Conservatives, he said, would repair a "serious omission" in the federal health plan which does not include tubercular and mental institutions.

Then, as if to underline that statement and to show that it was a correct statement, the Toronto *Globe and Mail* of May 28 of this year carried this further report under the date line of Saskatoon, May 27. It is as follows:

Noting that the Canadian Hospital Association was meeting in a nearby hotel, Mr. Diefenbaker reminded that the Conservative party had consistently advocated health insurance.

The main reason that the plan is so far advanced today, he added, is because Ontario's Premier Frost, a Conservative, forced the federal government to place it on the agenda of the 1956 federal-provincial conference.

Mr. Diefenbaker said the Conservative party still believes that hospital insurance should cover patients in mental and tuberculosis institutions.

I ask if the government still believes this statement by the Prime Minister (Mr. Diefenbaker). Does the government intend at this session to fulfil its very definite commitments to the electorate of this country? Are we to take it now that the Conservative party is in power this definite commitment is going to be relegated to the waste paper basket, the same as similar promises have been relegated over so many years by the previous administration?

Well, Mr. Speaker, we in this group are consistent in the attitude we have taken towards national health insurance. We believe in an over-all national health insurance program, but we are interested in the meantime, before that time arrives, in getting the government to act by proceeding as rapidly as possible. We are suggesting by this amendment that payments should be immediately available to any province that has a scheme in operation. In the field of hospitalization insurance Saskatchewan has led all the provinces in Canada. As far back as 1947 the government of Saskatchewan provided an over-all system of hospital insurance for the people of that province. I can well remember the hopes of the members of the government of that day, namely that the federal government would provide for an over-all health insurance program whereby the people of Saskatchewan could obtain money under that legislation.

Saskatchewan has waited now for over ten years. According to the attitude of the government we are going to have to wait a further period of time before any moneys are paid into our hospitalization plan. The plan has already cost the people of Saskatchewan from 1947 to 1956 a total of $147 million. The people of Saskatchewan believe the federal government had a responsibility in this field over those years. They believe that they have been shortchanged by approximately $70 million by

the governments in office during that time. They do not look kindly on the suggestion that they are going to have to wait another year; that in 1958 they will be denied, under the probable effect of this legislation, as much as $10 million or $11 million for their hospitalization plan.

I suggest that during this session the government should amend the act in keeping with the statements of the Conservative party when in opposition and provide that any province with a plan in effect could immediately obtain its share of the money provided by the federal government for such a scheme. The premier of Saskatchewan is on record many times in this regard. According to the Saskatoon *Star-Phoenix* of May 14 he made a statement that Saskatchewan was disappointed in the attitude of the government because it appeared certain that money would not be available for at least another year. The people of Saskatchewan believe that they have been short-changed; that they should not have to wait another year. They did not agree with the attitude of the former government that under the provisions of this legislation six provinces must have a scheme in force before federal moneys would be available. What does that mean? It means that one province, the sixth province, could hold up moneys going from the federal treasury to the provinces that are prepared to implement such legislation. If Prince Edward Island were the sixth province I can understand there would be a tremendous amount of pressure that might be brought to bear on such a government to provide legislation, since they would be the roadblock preventing moneys from being paid under such an act as this to the five provinces that had systems in operation.

I do not believe any province should be placed in such a position. I do not believe the provinces themselves want to be placed in that position. I think the premiers of the various provinces, in any event the great majority of them, agree with the premier of Ontario that money should be made available immediately to any province that has a system in operation. I make a plea to the government that in this session they introduce legislation to amend the act along lines suggested in the amendment now before the house, that any province including the province of Saskatchewan shall immediately be entitled to money from the federal treasury. I think that is a stand that is consistent with the stand of the Conservative party. I think it is a stand that is consistent with the stand taken by the premier of Ontario. I think it is a stand that is supported by all logic and all reason. I suggest it is a stand which will lead to the earlier implementation of a national health insurance plan.

We know that when you say there must be six provinces with plans in force and that within those provinces there must be a majority of the population of this country you delay the time at which federal moneys can go to the provinces and hence delay the time when the people in many of the provinces will have a hospitalization plan in operation. In other words this provision in the act, as the members of the opposition in the previous parliament earlier this year so ably pointed out, was placed there as a means of stalling, postponing; a method of delay and procrastination. The same arguments that applied to these provisions relative to the hospitalization insurance are equally valid relative to national health insurance. I suggest that not only should the federal government be prepared to pay money to a province that has a hospitalization plan in operation, but the federal government should be prepared to pay money to those provinces that might wish at this time to embark on a system of comprehensive health insurance. I am convinced in my own mind of this, although I have had no consultation with any member of the Saskatchewan government, that if the federal government would make moneys available immediately to Saskatchewan under this act Saskatchewan will not use those moneys as a method of saving money for some other department in its budget.

Rather Saskatchewan is more than likely to say, "Now we have an opportunity to expand our own health program in Saskatchewan and to include other important health services, and this money now available from the federal government will allow us to provide a more adequate system of health care for the people of Saskatchewan".

I know that there are in this country forces which are opposed to health insurance. In the mail just today we as members of parliament have received a statement by the Canadian Chamber of Commerce in which they state they are opposed, directly and definitely, to a national health insurance program. I do not think they speak for Canadians generally. I do not think they reflect in any way the spoken word of the Conservative party over the last number of months. I suggest that the government should pay no attention to these people. I suggest that the government, instead, should maintain the faith of the Canadian people in the commitments and the statements it made, both in this house and during the election campaign, by proceeding now to include mental hospitals and sanatoria in

the provisions of this act and to make moneys under this act immediately available to any province that has a system in operation and to proceed quickly towards the time that Canada shall have a national health insurance program that I believe is supported by the vast majority of Canadians at this time.

Mr. E. L. Morris (Halifax): Mr. Speaker, when the bells rang yesterday afternoon to summon us to this house, I confess that I came in trepidation for I had been forewarned that the supply motion which was to be introduced would give way to a free-wheeling debate in which the opposition might raise any number of subjects. Of these we would have no advance warning. We now know that we are launched into a debate on health insurance. As I sat last night and listened with some degree of affection to the hon. member for Essex East (Mr. Martin), who was in fact speaking on the first occasion when I came into this house as a spectator, I must confess that my mind went back to that afternoon early in March, 1939 when, as an under-graduate university student, I came to Ottawa. I remember the scene very well. This morning I went to the library to consult references and to check my recollections of what happened. Mr. Speaker, on that afternoon of March 6, 1939, as reported at page 1573 of *Hansard* of that year, one of the hon. members who is now in this chamber moved:

> That in the opinion of this house, the government of Canada should try to secure amendments to the British North America Act, to provide periodical health examinations and provision for suitable treatment for all those suffering from disease.

That was, Mr. Speaker, in 1939. What did the hon. member say about his motion? He said this:

> I know the Minister of Pensions and National Health (Mr. Power) will give it his fatherly approval just as soon as the means are at his disposal.

Mr. Speaker, the hon. member who introduced that motion on March 6, 1939 was the hon. member for Fort William (Mr. McIvor) who again today sits in this house, 18 years later, and listens to demands for immediate action on health insurance.

Mr. McIvor: Thank you.

Mr. Morris: What answer did the minister make? Later in the day as I sat in the spectators' gallery the then minister of pensions and national health said this as reported at page 1587 of *Hansard* of March 6, 1939:

> This and similar resolutions that have been placed on the order paper during past years—I may say in increasing numbers in more recent years—indicate that the people of this country are more and more taking an interest in public health, and so far as I am concerned that is absolutely all to the good. . . .
>
> There has come to a very large number of people in this country the belief that every citizen is inherently entitled to as much right to protection from sickness and disease as to protection from the more violent, if often less hazardous, attacks of those who wish to steal his property or injure his person. . . . I believe we have placed behind us the view held in days gone by that sickness, disability and illness were each man's individual concern.

I have been quoting the Liberal minister of pensions and national health of that day, as reported in *Hansard*. On that day in March, 1939, the hon. member for Fort William was seconded by another member who recalled that he had in fact introduced a resolution on health insurance in this house in 1931. That was one of the predecessors of the present hon. member for St. Boniface (Mr. Deniset).

Mr. McIvor: That was Doctor Howden.

Mr. Morris: He then on April 27, 1931 introduced a motion in this house:

> That, in the opinion of this house, a measure of federal state medicine would be in the best interests of the Canadian people.

He went on to say this:

> If the greatest need of the state is health, then the greatest effort of the state should be directed towards securing the health of its people. Surely the provision of an adequate measure for the control and direction of the health of the Canadian people would be in the best interests of Canada.

Mr. Speaker, on February 16, 1928, one of the predecessors of the present hon. member for Winnipeg North Centre (Mr. Knowles)—I refer to Mr. Heaps—introduced in this house a motion:

> That, in the opinion of this house, the committee on industrial and international relations be authorized to investigate and report on insurance against unemployment, sickness and invalidity.

He said this:

> Mr. Speaker, last year I introduced a motion almost identical with the present resolution. I was extremely pleased with the very hearty support which it received.

That was in 1927, 30 years ago. This particular matter, he said—

> —is not by any means new. It has been debated in this house on several occasions and it has also been discussed by several of the provincial legislatures. In the platform of the Liberal party in 1919, one finds a reference to this very important question.

What do we find in the Liberal party platform of 1919, a document which is surely receiving some of the attention of the hon. member for Essex East in these trying days? We find a resolution:

> Whereas human life and physical efficiency are the nation's greatest assets;

And whereas the conservation and improvement thereof should be the country's first care;

Therefore this gathering of Liberals in convention assembled, August 7, 1919, pledges itself to a vigorous prosecution of the measures best calculated to conserve the life and improve the physical standards of our Canadian citizenship.

Mr. Speaker, this motion was passed, by an earlier Liberal leadership convention, four years before I was born. Last night we heard the hon. member for Essex East say in this house that he was afraid this matter of hospital insurance was going to be very considerably delayed; after five months in office we are now to be "considerably delayed" in the enactment of a measure promised by the Liberal convention of 1919.

Specifically, and without intending to divert the house from consideration of the amendment now before it, I want to refer to three matters raised by the hon. member for Essex East. In his remarks last night he dealt at some length with an unsuccessful mission he made in Nova Scotia by which, I dare say, he meant to refer with some grace to his election campaign in that province. He said, as reported on page 1261 of *Hansard*:

I can say that the negotiations I had with Premier Stanfield resulted in marked progress, and I had reason to believe that there was a likelihood of that province coming in.

Later he said:

We do know, however, that the government of the province of Nova Scotia has set up a second body to study from the point of view of Nova Scotia the advantages of this particular hospital insurance proposal of the federal government—

And so on. From all of which I think, even on a careful re-reading this morning, one can only assume that the hon. member for Essex East meant to imply that the government of Nova Scotia had come up against some obstacle to its implementation of health insurance or hospital insurance, and that it had therefore set up a second body.

What are the facts? The facts are that under a previous administration, under a Liberal provincial administration, a body had indeed been set up, but upon the assumption of office by a new Conservative government in Nova Scotia it was discovered that that first body had in fact made no report because it had not met, and it was therefore disbanded and replaced by a royal commission which is now examining the Nova Scotia case on hospital insurance and, as the Minister of National Health and Welfare (Mr. Monteith) said, and as all Nova Scotian members on this side of the house know perfectly well, the chairman of that commission spent some time in this city only a few days ago consulting with the federal government and its authorities. The hon. member for Essex East also said, as recorded on page 1263 of *Hansard*:

We developed a plan of financial assistance which took into account the needs of the poorer provinces. Assistance in the case of Nova Scotia would amount to well over 70 per cent and in the case of New Brunswick close to 70 per cent.

Now, Mr. Speaker, we have in Nova Scotia what we refer to as three kinds of inexactitudes; quite large prevarications, extremely large prevarications, and Liberal statistics. That is what we have here. This has been repeatedly denied by the minister of health for Nova Scotia and by the premier of that province. It is 70 per cent, perhaps, of what the hon. member for Essex East in his capacity as a minister of the crown offered to Nova Scotia. Mr. Speaker, the position of Nova Scotia in respect to hospital insurance has been made perfectly clear on numerous occasions. The premier of Nova Scotia, if I understand him correctly, has said repeatedly that that province will introduce a system of hospital insurance not later than January 1, 1959, with or without—this is what he said prior to the election—an agreement with the federal authorities.

The Nova Scotia government wanted some consideration to be given to the sharing of costs for tubercular and mental patients. Mr. Speaker, as of last March, I believe, there were nearly 9,000 more mental patients in Canada than all other hospitalized patients put together, which simply goes to show that more people had gone crazy under the Liberal administration than ever before in Canadian history. We wanted some sharing of the cost of caring for mental and tubercular patients, for administration and for depreciation. So the figure may, in fact, have been 70 per cent of an offer, but it was less than 40 per cent of what the province of Nova Scotia wanted from a joint hospital insurance program.

Finally, Mr. Speaker, let it not be thought that I infer that the hon. member for Essex East does not believe in hospital insurance. I am too young a man to have lost all my belief in other people's ideals. I am one of the Conservative members—and there are very many—who wish to see introduced at the earliest possible date a comprehensive system of hospital insurance to protect our people from dire want. Yet, last night, when my friend and colleague the hon. member for Cape Breton North and Victoria (Mr. Muir) had the temerity to interject a remark into the speech of the hon. member for Essex East, that hon. member wheeled on him and, with a long forefinger—the most overworked forearm in the House of Commons—said to the hon. member for Cape Breton North and

Victoria: "Do you mean to tell me that perhaps your government is not now anxious about this?" He said at page 1264:

> He sits on the government side. He is now indicating that this government has some doubts about this hospital insurance bill. If that is the case, then I hope the government will soon acquaint us with an intention, which apparently the hon. gentleman has just now revealed.

I want to say, as a young man and as a newcomer to the house, to the hon. member for Essex East, without violating any of the rules of my party caucus, that we do not operate in that way on this side of the house. The hon. members on this side of the house do not state government policy. Government policy comes from the cabinet. We are supporters of the government because by personal conviction, and the record of this government in assistance to Nova Scotia since the election, and by the wish of our constituents, we support, in a majority of cases, this government.

To have it said that when a private member on this side of the house on the back benches rises and raises some point, to have it said that he is stating government policy, may be true of hon. members who sit on the opposite side, but it is another clear case of the continuous capacity of those who now occupy front benches across the floor of the house that in their vision, now limited by the 20 feet across that floor, they will suppress every word spoken by their back benchers. We do not state government policy, and we do not come here to be rubber stamps, either. We have a perfect right to urge upon this government, while supporting it, measures which we think are of benefit.

Finally, the hon. member for Essex East was asked by the Prime Minister: "If the answers he receives are not satisfactory or adequate, does he still intend to follow his leader in a vote of confidence in this government?" The hon. member for Essex East did not, of course, reply to that, but he said that if he accepted the amendment under discussion all it would mean would be that the right hon. Prime Minister "would no longer enjoy the great luxury of being Prime Minister of Canada". That struck me, on re-reading *Hansard* this morning, as a remark which was unnecessary and, in fact, unseemly.

Mr. Speaker, during the unsuccessful mission which the hon. member for Essex East paid to Nova Scotia before the election, a circus came to town the same day and the Liberal party hired the front elephant in the circus, and along the sides of this front elephant, lachrymose and morose, were hung two large posters. The right flank was inscribed "Vote for so and so"—I will refrain from giving the names—and on the left flank was inscribed the legend "The best is yet to be".

I remarked in a radio broadcast at that time that the architect of this slogan had apparently little knowledge of English literature for it came from Robert Browning's "Rabbi Ben Ezra" and the Liberal party had neglected to put in the first line. The full quotation from the poem reads:

> Grow old along with me!
> The best is yet to be—

Mr. Martin (Essex East): Ha, ha, ha!

Mr. Morris: Well, Mr. Speaker, when we found that the Liberal campaign committee was so diligent in the hiring of elephants we went to the proprietors of the circus who were themselves good Liberals. However, having seen some of the handwriting on the wall they consented to rent us the stern elephant. This was a very small elephant with only residual tusks and drooping ears. Over its flanks we draped a sign which I think answers the hon. member when he said that our Prime Minister (Mr. Diefenbaker) would be deprived of the luxury of his high office. Coming down the sunlit street in Halifax, as the hon. member for Essex East wined and dined and tried to sell us into a hospital insurance plan we did not want—

Mr. Martin (Essex East): Oh?

Mr. Morris: —on the stern elephant as it stomped and whistled along hung one sign bearing four words which are good enough for us, "John Diefenbaker never forgets".

Mr. Martin (Essex East): A funny place to put that.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I am sure we are all very much aware of the importance of the question that has been before us yesterday and today. On many occasions we have debated questions having to do with the material well-being of the people of Canada and without question those problems are extremely vital and important but I am sure we all agree that one of our greatest assets individually and as a nation is health. Therefore, when this matter was raised yesterday as a grievance we wondered just how much good would accrue from a debate of this matter at this time although we did recognize the fact that it was a very important issue that was before us.

We have listened to debate after debate on the matter of health insurance and we have listened to question after question directed both to the previous administration and now to the present administration on this same subject. When the announcement was made during the last session by the former minister of national health and welfare that a measure

was to be introduced providing for a system of health care we looked forward with some anticipation to the introduction of that measure and when it was introduced we were both pleased and disappointed.

We were pleased that the government had finally come to the point where it was prepared to take action on this important matter. I am not going to go back into history as some hon. members have done and try to indicate the first time this matter was dealt with and recommended. I think sometimes we are prone to spend too much time in looking back and considering what has taken place or what has not taken place in previous years. I think the most important thing is what are we prepared to do at the present moment and what does the future hold with respect to these important matters we discuss?

Last session when the Liberal government brought forth the hospital insurance act we were glad it had finally taken the action. We were pleased as well that the people of Canada could now be assured of some measure of assistance in the event of illness in their families. I am sure we are all aware of the tremendously increased costs of hospitalization and health care. It seemed as though it was getting to the point where one could not afford to be ill unless one was pretty well in the millionaire class. The ordinary individual simply could not afford the high costs of hospitalization and medical care. When this measure was brought in by the previous government I thought it offered a ray of hope, some feeling of security to the people of Canada that now they would be able to face eventualities confident that after all there was some one interested in their welfare and willing to assist in the meeting of these responsibilities. However we were disappointed that after the passage of such a length of time and the repeated assurances of the then minister of national health and welfare to the effect that the government was as interested as any member of the opposition in the maintenance of the health of the Canadian people the proposed measure fell far short of what we had anticipated.

Those hon. members who have been in this house for a long time have, I suppose, waited for years for the introduction of that legislation and although the legislation has been introduced they are still waiting. The provinces are still waiting, too. As pointed out on several occasions by different hon. members, a number of the provinces already have hospital insurance programs in operation and those provinces are waiting for some decision and positive action. I do not know, but it is possible they may have to wait for a few years yet unless some action is taken to expedite the matter and bring it to a successful culmination. The Canadian people are still waiting for this scheme to go into effect. A great many people are under the impression that the national hospitalization program is already in operation and of course they base their assumption on what transpired last session when the hospital insurance act was passed. However, hon. members are aware that it has not come into operation and the people are still waiting and wondering.

The Minister of National Health and Welfare (Mr. Monteith) made a statement last evening and clarified some of the points and questions that had been raised not only in this debate but on previous occasions. He gave us the assurance that the government intended to implement this project.

Mr. Knowles (Winnipeg North Centre): When?

Mr. Patterson: You answer that. But he did say the government had no intention of backing away from this project and intended to carry it through to a successful conclusion. We appreciated that statement. I believe the minister went farther than the government had gone on previous occasions and many in fact were wondering at one time whether or not the government actually intended to carry through with the proposition. The minister also outlined some of the negotiations that had been proceeding not only with the provinces but with various health associations. We were pleased to receive that assurance because many of us wondered what, if anything, was being done to try to bring this matter to a head.

The Minister of National Health and Welfare assured us last night that everything possible was being done to encourage and to assist in working out the details of this particular measure. He referred to the spirit of co-operation which exists between the federal administration and the respective provinces in the consideration of this important matter. I am sure we all recognize the fact that this is something that has to be implemented in co-operation with the provinces. That has been emphasized in times gone by and, of course, I do not think any one of us—I know none of us in this group, anyway—feels that it can be implemented in any other way. It must be done by co-operation between the federal and provincial authorities.

In this connection I should like to say that if the Minister of National Health and Welfare had made his statement some time ago it would have been of tremendous assistance

to us in consideration of the matter. Questions were asked; the answers were evasive. Hon. members endeavoured to secure some information but we could not get it. I suggest that if the Minister of National Health and Welfare had made his statement some weeks ago we would have a better appreciation and understanding of the situation as it exists. Therefore, I think he must accept some responsibility for the fact that this particular amendment has been moved at this time.

We in the Social Credit group have supported the principle involved in this amendment. I have said that there are several provinces that already have hospital insurance programs in operation. Alberta has one, Saskatchewan has one and I know that my province of British Columbia has a very fine hospital plan in operation.

It will be recalled that at the time of the dominion-provincial conference on this particular matter the province of British Columbia was prepared to go much farther than the plan which was finally adopted. British Columbia, through the provincial minister of health and welfare, Mr. Eric Martin, stated that the government of British Columbia endorsed the principle of an all-inclusive national health program. At that time the provincial minister of health and welfare from British Columbia stated that the services that should be included in that plan should be hospital care for both acute and chronic conditions, including laboratory and X-ray diagnostic services to in-patients. He also stated that it should include laboratory and X-ray diagnostic services to out-patients as well. It should include home nursing services, medical care services and dental care for children during the early stages, certain drugs, prescriptions, artificial limbs and appliances. He suggested that all of these things should be included in a national plan.

He went on to outline the government's views with respect to the financing of this particular matter but I am not going to refer to that at the moment. In this connection we also recognize that possibly some of the provinces and the federal government were not prepared to go ahead with such a comprehensive plan as was outlined by the minister of national health and welfare from British Columbia. I do not know that they have any particular objection, possibly apart from the fact that the plan was too ambitious for initial introduction, and it may be that later on some of these things would have been considered. Anyway, following that conference, a telegram was forwarded from the minister of health and welfare of the province of British Columbia to the then minister of national health and welfare. The content of the telegram is as follows:

> The government of British Columbia has studied the initial and limited proposals submitted by the government of Canada for a national health program and regrets the restricted nature of the plan presented. Nevertheless, British Columbia is ready to sign an agreement forthwith and strongly urges that an expanded program be instituted without delay.

As far as a national health program is concerned, I think that indicates clearly the position of the provincial government. It was desirous of seeing a greatly expanded program and yet was prepared to sign an agreement to go along with the plan that was presented by the federal administration.

Some of the restrictions or limitations in connection with the program have been referred to already. For instance, there was the requirement that six provinces, representing over 50 per cent of the population, must have signified their intention of entering into the plan. We have before us the amendment which urges that immediate steps be taken to facilitate the payment of grants to the provinces when they are ready to enter into the program and when they have a plan in operation. But I believe that this matter which is now before us, and the question of the six provinces representing 50 per cent or more of the population, should be given a very thorough study and something worked out whereby the provinces which now have plans in operation should be able to receive some assistance in the financing of their plans.

Another question which was raised was the question of those who had been disqualified, the medical and tubercular patients. After all it seems to me that if we are going to take care of sick folks we ought to take care of sick folks and not draw a line and say that we shall look after this one or that one but not the other one. I think the plan ought to be comprehensive.

Another question was raised by the hon. member for Okanagan-Revelstoke (Mr. McLeod). Perhaps some hon. members considered it a minor objection, a minor point. His point was that because of the limited equipment or facilities that some hospitals had at their disposal they would not be able to render service under this particular measure. The then minister of national health and welfare assured us that that matter could be and would be taken care of by negotiations with the provinces. These are some of the points that were raised and discussed. I think possibly these are some of the points that were in the mind of the mover of this particular motion when he brought it before us.

We are advised, Mr. Speaker, that a dominion-provincial conference is to be held in

Ottawa. The Minister of National Health and Welfare stated in his address in reply to questions—perhaps I should give the direct quotation as I criticized the Minister of National Health and Welfare on one occasion for misquoting me and I had better make sure that I have the quotation right or I may hear about it. I am quoting from page 1265 of *Hansard*. The Minister of National Health and Welfare said:

> On November 13 in reply to a question asked by the hon. member for Winnipeg North Centre (Mr. Knowles) the Prime Minister (Mr. Diefenbaker) said in effect that if the premiers of the provinces wish hospital insurance matters to be discussed at the forthcoming conference on November 25 and 26 an opportunity would be given to discuss these matters fully.

I should like to ask if up till now any of the provinces have made representations to the effect that they wanted this matter discussed at the dominion-provincial conference.

Mr. Knowles (Winnipeg North Centre): That is a matter of public record. Manitoba and Saskatchewan have done so.

Mr. Patterson: If they have, that is just fine. I know that statement was made by the hon. member for Winnipeg North Centre (Mr. Knowles) and I wonder whether we could have the assurance—we may have it on record but I did not catch it—whether or not this matter will be on the agenda for the dominion-provincial conference.

Mr. Monteith: I could not say any more than I did last night.

Mr. Patterson: The matter will be discussed if the provinces wish it? Is that right?

Mr. Knowles (Winnipeg North Centre): Maybe it has to be six representing a majority of the population again.

Mr. Monteith: Not necessarily.

Mr. Knowles (Winnipeg North Centre): Good.

Mr. Patterson: If the government is so anxious to expedite the matter and get the plan into operation, would the Prime Minister (Mr. Diefenbaker) himself place this subject on the agenda and say definitely that it will be discussed at the dominion-provincial conference? If that were done it might put a different light on the whole matter. I believe that the present government wants to see this being implemented but I think they could help us a little bit if they would be more precise in some of their statements and give us a fuller understanding of the situation existing at the present time. I believe that the intent of the amendment moved is to speed up things. I think that is what its purpose is.

[Mr. Patterson.]

Mr. Knowles (Winnipeg North Centre): Hear, hear.

Mr. Patterson: Its purpose is to get the matter rolling, to get the whole plan into operation as soon as possible so that the people of Canada can be assured that in the event of illness and hospitalization they will be able to receive some assistance even if they do not live in the provinces of Alberta, British Columbia or Saskatchewan.

Mr. Jacob Schulz (Springfield): Mr. Speaker, perhaps I should not speak on the amendment because I have never been too much interested in health insurance in the past. It involves doctors, nurses and hospitals and the worst of it is that you have to be sick to make use of these services. I am one of those fortunate individuals who have always enjoyed good health so I speak today for those who need these services worse than I do, and I am quite sure there are many who need them badly. That is the reason the legislation was brought into force in the first place. Even though it took a long time, the people had enough power to persuade the government to put it on the statute books of the country.

Many people are sometimes subjected to long illnesses, and I think that is the main reason why we should have a national health scheme. Sometimes people are forced to use their lifetime savings to pay their bills. There is another reason, perhaps still more important. I think that a health scheme is a part of civilization. It is a part of the social function of any civilization and I believe that any country that does not have a social health scheme is not quite civilized. I do not think that hon. members on the government side would want Canada to be less civilized than other countries, especially when we are living in the most fortunate, richest and most beautiful country on earth. Therefore I am quite sure that the government will implement the legislation.

I cannot even see why we are worrying so much about it because it is already an accepted fact in people's minds and no government would dare do away with it because such action would spell the doom of that government. If the present government tried to do so, I am quite sure that even the good showmanship of the Prime Minister (Mr. Diefenbaker) could not save the government. This legislation is accepted and it must go through.

Of course, some of those who sit on the government side still believe in individualism and the law of the jungle. Perhaps that is the reason they sit on that side, but nobody can ever escape what is already on the statute

books of the country. I believe that the government is sincere. I believe there are very capable people on that side of the house. On Friday last we all heard how quickly the Minister of Finance (Mr. Fleming) had checked inflation. If anybody can tackle anything so intricate as the economics of inflation and stop it in such a short time he should be able to implement this scheme.

We have also heard how the government has implemented its promises with regard to trade to the letter. As I listened to the minister making these statements, I could not help but feel he must never have heard the saying that the tongue is like a worn tire, liable to slip when it goes too fast. It must have slipped because surely nobody can fulfil anything to the letter in such a short time, and nobody expects it. The minister put on a performance on Friday which astonished me. As a matter of fact, I was so busy watching him that I could not even listen to what he said. I had to read *Hansard* the next day to find out what he said because his performance was terrific. When I looked at him I really was convinced that he must be trained in the law and still living up to the old fashioned philosophy of the law school, that when you have the facts on your side hammer them into the jury, when you have the law on your side hammer it into the judge but when you have neither the law nor the facts on your side then hammer on the table. If hammering on the table can implement the health scheme, then we will surely get it.

But there is one thing that worries me, the confusion existing in the ranks of the government. First there was the confusion that came from the mouth of the Minister of National Health and Welfare (Mr. Monteith) which forced us to move this amendment and take up time that could perhaps be used more beneficially in dealing with other matters. But we had to resort to such a move. There was no other way out. Somehow or other we had to force the minister to make a statement, and I am glad that he finally did. But it proves that there is confusion and according to the Winnipeg *Free Press* everybody was astonished at the minister's first statement.

We listen to the Minister of Trade and Commerce (Mr. Churchill) and we get the same impression, confusion and, even more, complacency. Day after day we put questions to him to try to get some indication where he is going with regard to selling our surplus wheat. This has become the greatest problem this country is faced with. What answers do we get? Certainly, we do not expect this government to sell all this wheat in a day or in a year, but I do believe this government should have charted a course, set an objective. All we got out of him yesterday was that he has an objective of exporting 300 million bushels of wheat this year. Does he not know that we sold 309 million bushels in the 1955-56 crop year? Does he not know that the average export sales for the last eight years amounted to 282 million bushels? That means that his objective today is to sell 18 million bushels more than we sold during the last eight years. Is that the way in which we are going to tackle this billion bushel pile of wheat out there?

When I listen to the Minister of Agriculture (Mr. Harkness), I get still more disturbed because there is evidence of the same complacency. The other day he gave us an answer to the question of what they were going to do about falling hog and livestock prices. Apparently he is learning from the former minister of agriculture how to answer questions when he stated that a $2 drop in prices in two years was not too drastic. This is the answer, in spite of the fact that the index of farmer's costs went up 10 points in those two years. However, in spite of all this I still believe we are going to get this hospital insurance plan, even though sometimes this complacency makes me wonder. There is a little saying which goes like this:

> Trust him little who praises all,
> Him less who censures all,
> And him least who is indifferent about all.

I hope the day will come when this complacency and confusion will be cleared up and we will go on and do something. I do believe this government will do it, because just think what would happen if this government should try to go through the next election without implementing this hospitalization scheme. This is something about which I am particularly worried. Have they got enough time to do it when they are so busy thinking about elections? This is what they seem to have constantly on their minds. They would spend another $6 million of the people's money for nothing. They threaten us every day with elections, and then they turn around and ask for our support so that they can implement their promises. It does not make much sense.

Just think what would happen if the government should go out in the next election campaign without implementing this scheme. Think what we would do to them, and what the Liberals who put this act on the statute books would do with them. I do not want to see this government defeated, at least not yet until we are ready to take over. I do not want to see the Liberals come back again, because they are useless.

Mr. Knowles (Winnipeg North Centre): Just as useless as the Tories.

Mr. Schulz: They are even useless as an opposition, as they showed yesterday. I cannot see how this government can go out into the next election campaign without implementing this plan. As a matter of fact there is one very encouraging thing upon which I am absolutely depending, and that is that the government group now includes some ladies. I always find that ladies are more softhearted and have a more humane attitude. There is a saying that women are wiser than men because they know less and understand more. I hope that will hold true in this case.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles), in moving his amendment has taken advantage of the peculiar situation in this house to try to gain some cheap glory for his party. It is cheap glory because it is taken without risk. He has said that if the Liberals abdicate their responsibility and their right to oppose this government his party will take up that job. If he really means that I wonder what he would do if the Liberals and Social Credit voted first against this government on this amendment. Would the C.C.F. support their own amendment?

Mr. Knowles (Winnipeg North Centre): Absolutely, and you know it.

Mr. Broome: Everyone knows that this is a minority government and that we are carrying on by permission of the opposition parties. Repeatedly members of the C.C.F. group have stated that there is no reason for calling an election; that this government, in its program, has the support of all opposition parties. Then what is the reason for this lack of confidence amendment? I think I have indicated what that reason is.

Mr. Knowles (Winnipeg North Centre): Because the government is not going ahead with the hospital insurance plan.

Mr. Broome: The C.C.F. are safe from the consequences of their own actions, Mr. Speaker. There is no question of opposition parties abdicating their right to oppose. They will certainly do that when they think they have something that will make a good issue upon which to go to the country. From what I can see of what this government is doing, the opposition certainly has not got a good issue yet. The C.C.F. opposes for the sake of opposition; it obstructs for the sake of obstructing, and I am coming to the point of thinking that it talks for the sake of talking. I think the effectiveness of members of the C.C.F.—

[Mr. Schulz.]

Mr. Knowles (Winnipeg North Centre): Is the hon. member reading for the sake of reading?

Mr. Broome: —is measured by the numbers of pounds of *Hansard* they have contributed over the years.

The hon. member has made a great to-do, as have other members, in regard to this booklet which I believe is entitled "Underwriting Canadian Health; An Economic View of the Welfare Program", compiled by the firm of consulting economists, William Lougheed Associates of Toronto at the request of the Canadian Manufacturers' Association and the Canadian Life Insurance Officers' Association. Hon. member after hon. member has tried to intimate that this government is a tool for one section of the economy of this country, the Canadian Manufacturers' Association. I would suggest, Mr. Speaker, that this government represents all classes in Canada, all people in Canada, rich and poor alike and that if there is any class party in this house it is the party to which the hon. member belongs.

I was very much taken with the speech delivered by the hon. member for Comox-Alberni (Mr. Barnett) in which he quoted from a booklet entitled "Industry", another publication of the Canadian Manufacturers' Association, as reported at page 1256 of *Hansard* for November 18, 1957. The quotation reads:

> Government-sponsored hospital insurance is coming because most Canadians have indicated that they want it, because all the national political parties profess themselves in favour of it—

Then the hon. member said, "I like that phrase, 'profess themselves in favour of it' ". Mr. Speaker, I would suggest that it ill becomes any hon. member of this house to intimate that his party has a corner on sincerity or a corner on service to the Canadian people or that only his party speaks for the little man. Mr. Speaker, this is just plain common sense. The Prime Minister (Mr. Diefenbaker), the leader of our party, captured the hearts and minds of Canadians from coast to coast by his obvious sincerity and his obvious concern for all Canadian citizens but particularly by his manifest desire to help the little man.

Mr. Speaker, this party has representation from one end of Canada to the other. We reflect a national viewpoint. We reflect responsibility in government as well as responsibility to the people. The fact that the C.C.F. party consider that finance is something to be lightly brushed off indicates to me their absolute irresponsibility. It is the ordinary person in Canada who pays taxes. We do not get the money as a gift. We take it from the people and it is our job

to distribute that tax money in the best manner to aid and to help all the citizens of this country.

Mr. Speaker, I have been in this house for about six weeks and I believe that the Canadian people will say that this government, under the greatest provocations and obstructions, has done more for the people of Canada than any previous government has ever done. We have seen the question period—I have looked up back *Hansards*—grow from what was customarily 15 minutes or 20 minutes to over an hour, most of which time has been taken up by hon. members of the C.C.F. party. In fact, today we had duplication in questions. They are even running out of questions to throw at the ministers. I have seen the ministers answering questions and doing their very best to give this house all of the information they possibly can give. In the minds of reasonable members there is no question that the ministers are doing a terrific job and I suggest, Mr. Speaker, that in the minds of the Canadian people there is no doubt that the ministers are doing a tremendous job.

I have been in this building every day, except the first week including Saturdays and Sundays and there has not been a Saturday nor a Sunday when I have not seen four or five ministers here. I left the Minister of Trade and Commerce (Mr. Churchill) at 10.30 on Sunday night. I was talking to the Postmaster General (Mr. Hamilton) at ten o'clock. These men are working hard for the good of Canada. Our hon. friends over there on the other side of the house are doing as much as they can to harass the government; that is all it is; it is just straight harassing tactics—and to obstruct the operation of government. I remember the cash advance bill on which they talked for a full week in order to say yes.

Mr. Speaker: Order. I would remind the hon. member that we are speaking on an amendment which has to do with health.

Some hon. Members: Oh, oh.

Mr. Speaker: May I also say that I do not consider it to be according to the best parliamentary practice to impute motives to hon. members and say that their actions are simply to obstruct. I would ask the hon. member to revise that statement.

Mr. Broome: Mr. Speaker, I apologize to hon. members. They are not obstructing. They are simply taking up a lot of time.

Mr. Knowles (Winnipeg North Centre): It is obvious that is the end of your speech; you will not take up much time.

Mr. Broome: We have used up two precious days in debating this amendment which, as far as I can see, has served no useful purpose whatsoever. In good time this government will be bringing forward legislation which the Canadian people want.

Mr. Speaker: I recognize the hon. member for Lapointe (Mr. Brassard). As it is almost five o'clock, perhaps the hon. member would prefer not to be interrupted and to call it five o'clock.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I do not believe we interrupt the business at five o'clock when a supply motion is being debated.

Mr. Speaker: I am sorry. I call upon the hon. member for Lapointe.

Mr. Brassard: Mr. Speaker, may I call it five o'clock?

Mr. Speaker: No. The clerk reminds me quite properly that we do not interrupt the business of the house today in order to deal with private and public bills.

(*Translation*):

Mr. Augustin Brassard (Lapointe): Mr. Speaker, may I be allowed to take only a few minutes to state politely to the government that my constituents are at a loss to understand its attitude with regard to family allowances and hospital insurance.

I have received a great many letters asking me to give the reason for the puzzling, not to say ominous silence which the speech from the throne observes with regard to these two matters. Obviously, because of the rules of the house, I can only speak at this point on hospital insurance.

The constituency which I have the honour to represent in this house, Mr. Speaker, is mainly made up of workers and farmers. I need not stress the point that the people of the constituency of Lapointe are most interested in the hospital insurance plan. It is a well known fact that the average Canadian can hardly afford to be sick or to undergo hospital treatment, without mortgaging his salary for months, even years ahead. It is therefore hard for anyone to understand how the present government, whose candidates were so lavish with promises in the last elections, should show such little concern for legislation which could mean so much for the great majority of Canadians.

Every time I return to my constituency, men come to me and tell me of the serious financial difficulties they are experiencing as a result of someone in their family having needed medical or hospital treatment. Up to the time the speech from the throne

was delivered, I would explain that the hospital insurance plan which had been prepared with such skill and devotion by the former minister of national health and welfare would bring about a happy solution to their financial problems of hospital treatment. But I confess that we are much concerned with the government's stand in connection with this plan. If another national convention of the Conservative party were held, the party might perhaps find an easy way out of the situation by passing a resolution to the effect that it is in favour of the principle of a hospital insurance plan as well as of family allowances, as it is no doubt in favour of the great principles of chemistry and physics. I admit that it is an easy and not too embarrassing way of avoiding a definite measure; however, the public does not benefit very much from such statements of principle.

I therefore urge the hon. Minister of National Health and Welfare (Mr. Monteith) as well as the government to give some throught to the average citizen who so urgently needs hospital insurance, and to take action to put such a plan in operation as soon as possible.

(Text):

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, it seemed to me a paradox when I heard the former minister of health get up in the house last night and, with almost impassioned oratory, cry out that the hospital insurance plan should be instituted without delay.

However, the Minister of National Health and Welfare (Mr. Monteith) at least realizes that, today, all emergency cases at least in the province of Ontario, and I would say across Canada, are admitted to hospital. No one can be denied hospital care under the public health acts of the various provinces. A great number of people, the majority of people, are covered at the present time by one plan or another of hospital insurance.

Naturally my hon. friends across the floor should realize that the crying need across Canada today is for hospital beds; many people have to wait a week to six weeks or even more to get admission; many of these cases require surgery, some have conditions that worsen as time goes on, and for many who suffer malignancy, which accounts for one in eight of all deaths, delay in admission to hospital may make the difference between recovering or receiving treatment too late.

I was interested to check up on the waiting list of one group of practitioners, and I found that of those waiting for admission for surgery or medical care over 70 per cent were fully covered in respect of the necessary treatment. Some of them would likely have to take rooms and services less costly than those they were paying for, because of their inability to get the service for which they were paying. The great majority of patients on these waiting lists have been waiting a month or more for admission because there were no hospital beds available to accommodate them.

This then, is the plight of the Canadian people and of the doctors who are looking after them. We need more hospital beds, which means more ward beds, more semi-private rooms and more private rooms.

Mr. Speaker, I think you will agree with me that it has been borne out by experience that under any general comprehensive insurance scheme there will be a sharp increase in the number of beds required as soon as a hospital plan becomes effective. No one will deny this. Where will these beds come from? In my opinion, for the proper care of the sick today we need a realistic building plan which will lead to the provision of the necessary hospitals together with beds and equipment, to meet this problem. The municipalities today find themselves in no position whatever to finance such an undertaking because over the years more and more money has been taken from them by both levels of government.

We also need more out-patient diagnostic services to save hospital beds for people who are really ill. In other words, we need to curtail our admissions to hospitals in the case of those who with proper facilities could be treated as out-patients. Free diagnostic out-patient services would be of prime importance in treating diseases in incipiency, and in protecting patients from morbidity, long hospitalization or even, perhaps, mortality. This has been well recognized by our governments, as shown by the provision across the country of travelling health clinics which provide X-ray examinations free of charge.

I am concerned about costs. As I understand it, I regard Premier Frost's original ideas on hospitalization as being very sound, when he included those who for health reasons could not purchase any plan and those older people who did not have the wherewithal to pay for one. I think this plan would have been a good staircase on which to build, step by step, a full plan. But this, I think, was refused by the previous Liberal government on the grounds that it must be all or nothing.

Costs are an important factor in any plan. Roughly, as I understand it, the cost of hospitalization would be covered by payment of

one-third from the insured, one-third from the federal government and one-third from the provinces. In the records of most provinces which I have been able to check, hospital costs have been doubling about every eight years. The economy has been advancing at the rate of about 35 per cent over the same period of time. Even in Saskatchewan, where they have a health plan which is quoted as one of the most successful, costs have doubled in less than eight years.

Let me say this. Hospital beds must be provided, and must be provided at the federal and provincial levels because of the inability of the municipal taxpayer to accept any more on his already over-taxed shoulders. This fact must be recognized. All this must be added to our consideration of any hospitalization plan, because beds are the first necessity and must be available before any plan can be successfully carried out. I realize that grants are now being made, but these are totally inadequate to supply those beds.

Therefore, in conclusion let me say that anyone who feels that all this can be done in a few months or in a few days is not facing the facts, and I doubt very much if those beds can even be provided as early as the date the premier of Ontario has set. Provision of these facilities must be an integral part of all discussions, and it must be agreed on by federal and provincial governments before any plan of health insurance can be effective.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there is little I can add to the discussion which has taken place during the last two days on the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles). It is well to recall the wording of that amendment, which is to the following effect, namely:

> this house is of the opinion that the government should consider the advisability of taking immediately whatever steps are necessary so that federal payments under the provisions of the Hospital Insurance and Diagnostic Services Act will be available without delay to any provinces with hospital insurance plans in operation, as a further step toward the achievement—

And so on. Now, sir, I think it is perfectly clear that this amendment was moved, not with the purpose in mind of achieving that which has already been achieved by the legislation placed on the statute books at the last session of parliament and accepted by hon. members in all parts of the house but that it has as its purpose placing the party represented by the hon. gentleman in the position of having brought about that which was achieved at the last session of parliament, namely the provision of a national hospitalization plan.

The law is on the statute books. It was the Conservative party, through the action of the premier of Ontario, which forced upon the government of the day the inclusion of discussion on the subject of hospital insurance, which brought about the legislation at the last session of parliament. There is no question about that. My friend the hon. member for Essex East (Mr. Martin) recently made a radio speech and also sent an epistle to his constituents both of which were designed to leave the impression that the party represented by him had a monopoly on social legislation.

Mr. Gauthier (Portneuf): Hear, hear.

Mr. Diefenbaker: I go back to 1935 and point out that it was the government of Mr. Bennett which brought in unemployment insurance, that it was the government of Mr. Bennett which brought in labour legislation to provide for holidays, minimum wages and the like,—

Mr. Gauthier (Portneuf): Twenty cents a day.

Mr. Diefenbaker: —and that it was the party now sitting in opposition that having achieved power, through the instrumentality of the courts,—

Mr. Gauthier (Portneuf): That is out of order.

Mr. Diefenbaker: —and with the assistance of eminent counsel representing the government of Mr. King was able to establish that that legislation was beyond the legislative competence of parliament.

Mr. Martin (Essex East): Hear, hear.

Mr. Diefenbaker: That was the position of those sitting in opposition in 1935 and 1936. The law is on the statute books today providing for the setting up of hospital insurance and it is the worst kind of red herring and political opportunism that my hon. friend introduces an amendment such as has been placed before this house. The minister last evening stated clearly and unequivocally, as it had been stated over and over again, that this government is committed at the earliest possible date and in co-operation with the provinces to bring this legislation into effect and thereby provide something that every political party in this country has supported. I think it is only proper and fitting to point out that in the few weeks parliament has sat this government has shown its interest in human betterment and its belief that there is a necessity to maintain a high standard of social security in this country in the increases provided for old age pensions and blind and disability payments. This was action taken on the part of the government to assure

that the policies which it recommended in opposition would be carried into effect. I go farther than that in connection with social security and say this. After all, hospital insurance is within the ambit of this matter and we in this government and party intend at the earliest possible date, in addition to the present pension systems, to give full consideration to investigating the insurance system in the United States to the end that we will bring about in Canada a rounded and effective contributory social security system over and above that which already exists.

What stand are we going to take in regard to hospital insurance? At the dominion-provincial conference this coming week we shall place before the various premiers of the provinces the opportunity to present their viewpoints, their desires and their wishes rather than to follow the course of the former government of appearing before that conference and in a cut and dried manner saying, "Take it or leave it". That is not the intention of this government. We intend to permit, indeed to encourage the discussion of any matter connected with the fiscal policies of this country which in the spirit of confederation will bring about something of a new relationship as between the federal government and the provincial governments, and as far as hospital insurance is concerned every opportunity will be given for a discussion of this matter.

Then following the considerations of this conference decisions will be made as to those changes which inevitably will have to take place if, in a spirit of co-operation, the discussions take place and opinions are given on the part of the various provinces. We are going to give the province an opportunity to provide their best counsel and advice to the end that something of the spirit of confederation will be restored to this country, a quality that has been lacking during the last several years when the federal government approached the provinces in a spirit of dictation.

Mr. Pickersgill: Oh, oh.

Mr. Diefenbaker: As far as hospital insurance is concerned, after hearing from the various provinces—those that have already consented to join the scheme—we shall bring before parliament either at this or the next session such changes, if changes are to be made, as will to the greatest possible degree implement the legislation and indeed bring it into effect at the earliest possible date.

This brings me to discuss this session because the Leader of the Opposition (Mr. St. Laurent) did so. I was thoroughly in agreement with the viewpoint he expressed that to a major extent this session is a continuation of the one before the election and that the major responsibility of this session is to consider those matters of an emergency kind and nature but in particular to deal with those estimates which were not dealt with prior to the election. As the right hon. gentleman has said—and I think the words might be taken to heart by some of those who are potential leaders of the party represented today by that venerable gentleman—

Mr. Stick: We will take care of that.

Mr. Diefenbaker: —as his words appear at page 1233 of *Hansard* of November 18:

> We realize that this is not an ordinary session for which the rules were intended to have ordinary application.

Then he went on to say:

> The year for which these estimates have been prepared is well advanced and at a not too distant date we will be reaching the time when consideration will have to be given to the submission of estimates for the following year. I do not think it has ever been the experience of parliament to have two successive years' estimates under consideration at the same time.

In other words the major responsibility of this session is to implement those matters of an emergency nature as well as to pass the estimates that to a major extent have been expended and were even expended in large portion before this party came into power. The right hon. gentleman has adopted an attitude of reason but it does not represent the attitude of those associated with him. The debate thus far has indicated—and I take it that my friend the hon. member for Essex East speaks for the party of which he is a member—a most interesting paradox: the opposition party, a party that barks but does not bite.

Mr. Stick: We will bite you when we are ready to bite you.

Mr. Diefenbaker: A party that in its pride—

Mr. Stick: And it will be a good bite, too.

Mr. Diefenbaker: A party that in its pride says this government has not the confidence of either the house or the country. They say that out loud and then when the vote comes they silently steal away and vote support for us. What a course! The hon. member for Essex East called it courage in a television speech. He said:

> We must plan ahead,—

He was speaking of us but I am applying his philosophy to the party he represents. I continue:

> —not timidly but boldly, imaginatively and courageously.

What an example, Mr. Speaker. He says we are wrong. He says the reason they will not move a vote of non-confidence is that it might bring about an election. He says

we are not carrying out our promises. He speaks loudly, sonorously, and he votes so silently. But there is some co-operation between the official opposition and the C.C.F. I think the hon. member for Essex East used some striking words last night. He said, as reported at page 1259 of *Hansard*:

> If this amendment has the faults which I believe it possesses, it nevertheless serves the purpose which I am sure really was in the mind of the hon. member for Winnipeg North Centre, namely to join with the Liberal opposition—

I do not know whether the hon member for Winnipeg North Centre agreed with that co-operation but the hon. member for Essex East said:

> —to join with the Liberal opposition in bringing to the attention of the government the importance of doing something about this matter.

What a weird situation, Mr. Speaker! They criticize; they sneer; they scoff, but later tonight they will be voting confidence in us. Why do they follow this strange and tortuous course, Mr. Speaker? Is it frustration? Why is it? Is it mere opportunism at a low level? Everybody knows the answer. They are afraid to vote against us, Mr. Speaker. They whistle in their own graveyard; they fill the record with questions; they make speeches and then, Mr. Speaker, when the chips are down, to use a colloquialism, where will they be found?

Mr. Knowles (Winnipeg North Centre): Under the table.

Mr. Zaplitny: In bed with the Tories.

Mr. Diefenbaker: I asked the question and I stopped to give my hon. friends the opportunity to say they are going to do that which nobody expects they will.

What about my friends of the C.C.F.? They are courageous; they take a stand because they have already heard from the Leader of the Opposition that the Liberal party is not going to vote non-confidence in the government so they are in a position to speak valiantly and criticize fearlessly because they know there is no risk. Mr. Speaker, what a parliament it is—

Mr. Knowles (Winnipeg North Centre): Are you sure of your own members?

Mr. Gauthier (Portneuf): Seals in training.

Mr. Diefenbaker: What is the reason for it, then? I think the person who let the cat out of the bag is the hon. member for Springfield (Mr. Schulz). He said he believed that we were going to carry out hospital insurance absolutely.

Mr. Martin (Essex East): One day.

Mr. Diefenbaker: What they are trying to do, Mr. Speaker, is to endeavour to pretend later on that it was this non-confidence motion that forced the government to act.

Mr. Knowles (Winnipeg North Centre): Will the Prime Minister permit a question?

Mr. Diefenbaker: I did not bother my hon. friend; I let him proceed and I want to refer now to what I think is the confidence of political wisdom on the part of my hon. friend. He knows very well—at least one of those sitting with him knows very well —that the government intends to proceed, as the Minister of National Health and Welfare (Mr. Monteith) said yesterday and a few days ago, and bring in health insurance at the earliest possible date.

Mr. Knowles (Winnipeg North Centre): When?

Mr. Diefenbaker: And that does not mean anything like what the Liberal party meant in 1919 when they said they were in favour of health insurance. Mr. Speaker, that at least gave us some indication of the meaning of eternity.

Why does the Liberal opposition take that stand? I have a great admiration for the hon. member for Bonavista-Twillingate (Mr. Pickersgill). He has had a wide experience. It remained for him, though, to produce the greatest excuse of all for this tortuous course. Do you know what he said? Well, he said the NATO meeting was going to take place in December and there was some difficulty on the railroads. Here it is, as reported at page 1252 of *Hansard*:

> The incidental damage I was thinking of—

That is the damage in moving an amendment which you support. I continue:

> —the incidental damage I was thinking of would be having no effective government at a time when this great NATO meeting is going to be held; at a time when things look rather dark.

He was not speaking about political matters in his own party; he was speaking about the international situation. He continued:

> I was thinking also of the possibility of being in the midst of an election at a time when, as we know, there is a very serious matter in dispute between the railways and their employees.

The matter in dispute was in dispute at the time of the last general election. There was a commission sitting at that time. He continued:

> It seems to me, sir, that this is not a time to be talking frivolously about defeating governments and about having elections.

As far as this government is concerned, we intend to carry out the fundamental promises that we made.

Mr. Pearson: Fundamental.

Mr. Diefenbaker: We have already proceeded in that direction. It is a sorry picture when those in the official opposition who sat here on the government side less than six months ago do not carry out the suggestions of the leader whom they follow. Indeed the diversity of the tactics of the Liberal and C.C.F. parties gives some indication of how hopeless it is for the House of Commons to carry out its functions with the present unhealthy lack of a working majority on the part of the government.

My hon. friends opposite preach co-operation. Read their speeches in the house. Read their speeches outside the house. There is one thing about which these two parties are unified. They follow different tactics but they achieve the same end. The official opposition are afraid to move a vote of non-confidence. They are afraid to vote according to their voices. The C.C.F. pretend they are not afraid because they rely on the fact that the Liberal party is afraid. Yes, Mr. Speaker, they achieve the same end, a double standard in public affairs.

It is a looking both ways policy. The Liberals look to the C.C.F. to carry the ball for them and move amendments. They criticize but they dare not vote. The C.C.F. look to the Liberal party to assure that the government will be sustained against the criticism of both.

There, Mr. Speaker, is the situation today. I believe that the Canadian people appreciate the degree to which the government is carrying out its promises and endeavouring to discharge its responsibilities in a way that will meet the high responsibility that is ours. We are going to do that. There are further matters of legislation to be brought before this session which I believe will be of benefit equal to those already placed before the house. I am looking forward to the vote not with keen anticipation, and I say this more in sorrow than in criticism—

Some hon. Members: Oh, oh.

An hon. Member: Don't cry.

Mr. Diefenbaker: They interrupt, Mr. Speaker, they condemn, but to use the abiding words of the hon. member for Essex East in his radio speech—

Mr. Martin (Essex East): Television.

Mr. Diefenbaker: —they talk like lions, they will vote as lambs.

Mr. Knowles (Winnipeg North Centre): Before the Prime Minister sits down, would he answer a question? Will he tell the house by what date he anticipates that federal payments under the Hospital Insurance and Diagnostic Services Act will be made available to any of the provinces?

Some hon. Members: Oh, oh!

Mr. Diefenbaker: It is a perfectly proper question. I intend to discuss this matter fully with the premiers of the provinces which have accepted and not desiring to anticipate what their decision will be, if it is reasonably unanimous it will bring about hospital insurance at a far earlier date than has been anticipated.

Mr. Knowles (Winnipeg North Centre): Will the Prime Minister permit another question? In view of his objection on April 10 of this year to the veto in the present legislation, that is the requirement that six provinces sign agreements, why does he in what he said just now require unanimity among six provincial premiers before he will decide when payments are to be made?

Mr. Diefenbaker: Mr. Speaker, that is in keeping with the argument that was advanced the other day by the hon. gentleman. At no time has there been any suggestion to the effect that he has now suggested. When we meet on Monday and Tuesday next, this and other matters will be discussed with the provinces to the end that in co-operation a determination will be made to bring about hospital insurance at the very earliest possible date. The hon. gentleman can read into that statement exactly what I have in mind to place before the conference, but before placing it before the conference and having the view of the provinces I do not intend to go further at this time.

Mr. Knowles (Winnipeg North Centre): What about the rights and the supremacy of parliament?

Mr. Tucker: May I ask the Prime Minister a question? Is he not pleased that we are ready to vote to keep him in office to carry out his promises?

Mr. Diefenbaker: Mr. Speaker, that is not the purpose they have in mind.

An hon. Member: No answer as usual.

The house divided on the amendment (Mr. Knowles, Winnipeg North Centre) which was negatived on the following division:

YEAS

Messrs:

Argue	Hahn
Barnett	Hansell
Blackmore	Herridge
Bryce	Holowach
Bryson	Howard
Campbell (The Battlefords)	Irwin
Castleden	Johnson (Kindersley)
Christian	Johnston (Bow River)
Coldwell	Knowles (Winnipeg North Centre)

Lewry
Macdonald (Vancouver-Kingsway)
Martin (Timmins)
Patterson
Peters
Quelch
Schulz
Smith (Battle River-Camrose)
Stefura
Stewart (Winnipeg North)
Thompson (Edmonton-Strathcona)
Winch
Yuill
Zaplitny—32.

NAYS

Messrs:

Aiken
Aitken, Miss
Anderson
Arsenault
Ashbourne
Balcer
Barbes
Baskin
Batten
Beech
Begin
Bell (Carleton)
Bell (Saint John-Albert)
Benidickson
Best
Bonnier
Boucher
Boulanger
Bourget
Bourque
Brassard
Broome
Brown (Essex West)
Browne (St. John's West)
Byrne
Campbell (Lambton-Kent)
Cardiff
Cardin
Caron
Carter
Casselman
Cathers
Chabot
Charlton
Chevrier
Chown
Churchill
Coates
Comtois
Crestohl
Crouse
Deniset
Deslieres
Diefenbaker
Dinsdale
Dumas
Eudes
Fairclough (Mrs.)
Fairfield
Fleming
Fraser
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingras
Gingues
Gour
Green
Habel
Haidasz
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Henderson
Hodgson
Houck
Howe
Huffman
Jorgenson
Jung
Kennedy
Kirk
Knowles (Norfolk)
Kucherepa
Lafontaine
Landry
Leduc (Gatineau)
Legare
L'Heureux
Loiselle
MacDonald (Antigonish-Guysborough)
Macdonald (Kings)
Macdonnell
MacEachen
MacEwan
MacInnis
MacLean
Macquarrie
MacRae
McCleave
McDonald (Hamilton South)
McGee
McIlraith
McIvor
McMillan
McPhillips
Mandziuk
Martin (Essex East)
Martini
Milligan
Mitchell
Monette
Monteith
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Noble
O'Hurley
Pearkes
Pearson
Phillips
Pickersgill
Poulin
Pratt
Proudfoot
Ratelle
Rea
Robinson
Rowe
Rynard
St. Laurent (Quebec East)
Simpson
Small
Smith (Calgary South)
Smith (Hastings-Frontenac)
Smith (Simcoe North)
Stanton
Starr
Stick
Stinson
Taylor
Thomas (Middlesex West)
Thompson (Northumberland)
Thrasher
Tucker
Villeneuve (Roberval)
Walker
Winkler
Wratten—142.

Mr. Speaker: I declare the amendment lost.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

POWER—REQUEST FOR FEDERAL FUNDS FOR PROVINCIAL DEVELOPMENTS

Mr. W. H. McMillan (Welland): Mr. Speaker, I am one who believes that basically governments have very little to do with interest rates. Under our free enterprise system, interest rates depend on the supply and demand of money, much in the same way as the price of commodities depends on the law of supply and demand. It is true that governments through their central banks may for a time raise or cut the discount rates and set a pattern in establishing how much the commercial world will pay for the use of money.

Last week the federal reserve banks in the United States cut the discount rate from 3½ per cent to 3 per cent, while ours is at 3.99 per cent, which represents quite a wide spread of almost 1 per cent. I would suggest that these rates were quite artificial because of certain disturbing elements in the economy of our two countries. According to a dispatch from Washington there was little or no pick-up in employment from mid-September to mid-October at a time when it was expected.

Then, too, in Canada, we find that steel output in October was 19 per cent below the level reached in October last year. Steel, we know, is considered to be a barometer of our economy and I hear that the output in November will be worse than that of November of last year. I hope that whatever the government does, or whatever steps it takes, it will be effective in overcoming our unemployment.

The Prime Minister (Mr. Diefenbaker) announced the other day that the government proposed lending the province of New Brunswick $30 million, the estimated cost of the Beechwood hydro development. The province is being charged 4⅜ per cent, and since the government is lending money at

cost plus ⅛ of 1 per cent handling charge, this suggests to me that the dominion government has to pay approximately 4¼ per cent for money for eight years. It is difficult to calculate what New Brunswick might pay for money for eight years, but looking at the bond quotations I surmise that New Brunswick would have to pay somewhere between 5¼ and 5½ per cent. This means that New Brunswick would save approximately 1 per cent of its borrowed money under this arrangement, and 1 per cent of $30 million is $300,000 for the first year; in succeeding years the amount would be correspondingly less.

Last year, according to the press, Premier Frost of Ontario took objection to the equalization payments to the smaller provinces, saying they were too high in relation to the amounts received by Ontario from the federal government. The federal payments to the provinces worked out at about $39 per capita and on this basis the equalization payments had to be paid to the smaller provinces. I can understand the premier's concern since the Ontario government has to bear a heavy cost in respect to education, highways and other services. The premier of Ontario said that residents of Ontario paid nearly half the federal taxes. This being so, the people of Ontario are really lending $15 million to New Brunswick in respect to this Beechwood project at a rate of interest lower than Ontario itself can borrow money.

The last offering of hydro bonds made by the Hydro Electric Power Commission of Ontario were 5 per cent bonds and they sold slightly below par to return 5.09 and 5.19 per cent depending on the term of the bonds.

This suggests that money for the Hydro Electric Power Commission of Ontario probably cost in the neighbourhood of 5¼ per cent at that time. This being so, why cannot the federal government extend the same arrangement to finance hydro development in Ontario through the Ontario government? Hydro has a big expansion program in hand now on the St. Lawrence river, and will need capital for this and other projects. In addition, the commission is also refunding previous hydro loans from time to time. If this arrangement can be made by this government, namely to advance money to Ontario and other provinces for similar projects, it would save Canadians much money, since the federal government always borrows money cheaper than the provinces or any of the provincial agencies. This would tend to keep borrowing within Canada, and the Ontario hydro for instance, would not be required to go to the United States to obtain money. This would save hydro users in Ontario millions of dollars and would tend to reduce hydro rates for all our people in that province.

Over the last few years hydro rates have gone up very substantially, and I find in Ontario that people are very conscious of the increase in these rates. After all, this suggestion would not cost the dominion government anything, because, as the Prime Minister said, this money would be loaned at cost plus ⅛ of 1 per cent for handling charges. I feel that the premier of Ontario will be out to help the people of Ontario with regard to the carrying charges on their hydro debt, and to give Ontario anything less would be discrimination against the people of Ontario. I am not registering an objection because the people of New Brunswick will be getting this money for the Beechwood project, but I do think that unless this principle is extended to people in other provinces, it is certainly discrimination.

This may be outside the scope of this particular discussion, but I do not see why, in extending this principle, the provinces should not advance money to the municipalities in much the same way. I think the municipalities would get much cheaper money if this were done, and would be able to finance their education, highway and other programs much more easily. Certainly, in Ontario at least, we have a municipal board, and before any debentures are issued the municipal board looks over the capital expenditure proposed. In educational expenditures, at least, the province could withhold its educational grant against any debt which a municipality incurred under such a scheme.

(*Translation*):

CANADIAN BROADCASTING CORPORATION—PROTEST AGAINST "THE PLOUFFE FAMILY" PROGRAM

Mr. Raoul Poulin (Beauce): Mr. Speaker, I am glad that the rules of the house are such that they provide me with this opportunity of stating a grievance and of voicing a complaint which has been made to me by a large number of people—of the very best people—of the constituency I represent. This grievance has to do with a television program carried over the French network of the C.B.C. under the title *La Famille Plouffe* (The Plouffe Family).

I wish to go on record as being in favour of state control of radio and television. The control we have in this country is far from perfect. Being a human institution, the C.B.C. certainly deserves the severe criticism we have to level at it on a number of scores. Yet how much worse things could be if the

only guarantees we enjoyed in this regard were provided by a syndicate of private interests actuated by no other motive than making money.

In spite of its failings, its mistakes, its slowness in getting things done or in reacting, its sins of omission or commission, the C.B.C. has nevertheless, on occasion, given evidence of its good faith. It is precisely because I believe in the good faith of the officials of that organization, then, that I would like to lay before the house a very unfortunate situation which they will no doubt set about to correct. Moreover, any sustained and persevering effort on the part of the Canadian taxpayer would make it possible to bring about the improvement and even the disappearance of certain programs which, in their present form, are far from being acceptable. Among these is *La Famille Plouffe*. What is the explanation for the fact that a writer who is not devoid of talent, and actors who should show some respect for their public, lend themselves to the presentation of scenes which are so definitely improper, off-colour, slanted and at times immoral and degrading.

I am no prude. I do not believe in going about this world of men with my eyes shut. I know that evil exists, that it has always existed ever since the unfortunate lapse of Adam and Eve, and that we are all exposed to it. But is that sufficient reason to display evil for all to see, to give it the appearance of acceptable and even commendable behaviour, and often to surround it with enticing artifice which tends to allay or dispel the natural repulsion it should induce? Anyone who has the responsibility of raising a family and who takes this duty seriously, will sometimes wonder what attitude to take towards his children when such scenes come into the home, almost forcibly, and violate its privacy. For want of a better explanation, teen-agers can be told that the TV set should remain off at those hours—I would call them tragic hours—or some attempt can be made to make them understand the impropriety and the utter stupidity of certain scenes. But what can you say to children of six, eight or perhaps ten? How can you reason with them? How can you explain those scenes to them? How can you let them play with fire and pretend they do not risk getting burned?

Therefore, as taxpayer and head of a family, and for the sake of moral rights and education, I must protest against the bad taste and insanity of certain episodes of that program: the trip to Florida, the paternal benediction, the visit to hell, the flagpole sitting, the sunbathing on the roof, all of them scenes in which the censor could have made wholesale cuts.

C.B.C.—Program "The Plouffe Family"

As member for Beauce county, however, I have another protest to make here. In the same program, impudence is carried to the point of trying to make the population believe that the flightiness and the vulgar manners of a certain character are representative of the degree of education and the behaviour of the population of one of the most beautiful counties of the province of Quebec. This disgusting type of propaganda has reached such proportions that a large American magazine, in its issue of November 4, felt it should give publicity to that character's reputation and thus give colour to an inaccurate and altogether unfair representation of the lives of the people whom I am very proud to represent in my country's parliament.

Let Mr. Lemelin, the author, and Uncle Gedeon, the actor, labour under no delusion. In Beauce county, in the province of Quebec, we have kept the fine tradition of the paternal blessing on New Year's day and, for my part, I am proud to continue that sacred tradition in my own home, but that benediction is not given in the stable, among the cows. There are some people from Beauce who, no doubt, go to Florida during the winter but it is no lustful junket requiring personal priming up with pep pills. In Beauce county, people still believe in the dogma of hell, and still have enough faith to pray God that those who deride us on television be spared from hellfire. In Beauce county, as elsewhere, but not more than elsewhere, immorality sometimes makes unfortunate victims, but even they have enough sense of decency to try to hide instead of lying in full view on the roof or verandahs.

No, let Uncle Gedeon go astray, as he himself claims to be doing, on TV or elsewhere in Montreal, but let him take care that, in doing so, he does not go to the dogs for good. Let him keep on spitting on the floor, and puff on his big curved pipe as he talks to the womenfolk, with his hat pulled down over his ears, and do it all, I must say, with amazing naturalness; he can let or induce *Time* magazine to write, and I quote:

> Impersonating a farmer from backwoods Beauce county, he has become Quebec's top nightclub and TV star.

At least I hope he will not have the public believe that the scenes he is interpreting and the degree of education he displays faithfully portray the way of life in the wonderful homes, and worthy population of the constituency of Beauce. And it is as a representative of Beauce that I wish to protest tonight with all the vigour I can muster.

Let the C.B.C. put a stop to these sordid, false and monstrous displays.

If Uncle Gedeon were a genuine native of Beauce, if he actually had spent the main part of his life in that riding, instead of just happening to live for a few years in a nearby parish, he would have learned to know us as we are, and would realize that the part he plays in that program is a travesty of truth and an insult to our people. He would also know by now that our good housewives, our good mothers of Beauce county do not leave rags that have become useless lying around the house, but just throw them into the fire.

Let the C.B.C. do likewise! If it is possible to correct the gross errors of this program,—which otherwise contains much that is good,—it should be done, so that something new and clean, genuine and honest may be shown.

If that cannot be done, let the program be scrapped, and the sooner the better.

(*Text*):

LABOUR CONDITIONS—UNEMPLOYMENT

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I regret that the subject that I wish to introduce at this time this evening was not cleared with the Prime Minister (Mr. Diefenbaker). In his public statements, particularly the one made at the great convention of the Conservative party in Ontario, the Prime Minister said that for members of parliament to speak about unemployment is to lead the country into a fear complex that could lead to a depression. If the country is being led into a fear complex it is because the Conservative party is in power and we have no responsibility for bringing that about. One statement made by the Prime Minister has appeared in almost all of the papers in identical words. I believe this came from the *Gazette*. The Prime Minister said:

> We do Canada no good, the free world no good, in conveying a false impression which might have the effect of panicking the Canadian people into a depression.

He continued:

> There are no words to express what I think of those who, for political purposes, endeavour to talk the Canadian people into a complex that might bring about the realization of their fears.

I am sure that all of us are quite aware of the fact that the Prime Minister is never short of words, and if he has words to describe that situation I wonder why he did not use them in the spring of 1954 when the Conservative party vied with the C.C.F. party for the opportunity to move an amendment deploring the fact that the then Liberal government were not taking steps to alleviate a serious unemployment situation. This was in the spring of the year when the unemployment situation was becoming less apparent and work was becoming available. As I have said, they did vie with the C.C.F. party and the Conservative party was able to get the floor ahead of the C.C.F. and the hon. member for Hamilton West (Mrs. Fairclough) moved an amendment. This amendment was discussed for about a week and during the course of the discussion the Prime Minister spoke for his full 40 minutes. If anyone was attempting to create a fear complex it was the Prime Minister who was then the hon. member for Prince Albert. But what a change in concept; what a change has taken place in his thinking since that time.

After speaking, as I have said, for about 40 minutes, this is the way the Prime Minister wound up his speech. He was endeavouring to get the then prime minister to express the opinion that there was a very serious unemployment situation in Canada. He kept prodding; he took every conceivable method to try to get the government of the day to indicate that there was a very serious unemployment situation. I quote from *Hansard* of March 15, 1955, at page 2039, where the present Prime Minister, obviously speaking to the then prime minister, said:

> Will he not state that he realizes that if we continue to deliberately delude ourselves concerning the unemployment situation we shall bring about a fear complex in this country which will have serious results in the future?

If that is not a direct and absolute reversal of thinking for his own political purposes I should like to know what it is? I have heard the term "Honest John" used rather loosely over there. I do not think we should hear that too often again. What did he offer in the way of a solution to the problem? It was rather nebulous, but here is one rather important suggestion.

Mr. Harkness: What is the grievance?

Mr. Proudfoot: Unemployment.

Mr. Byrne: Does the hon. gentleman not consider the fact that there are 300,000 unemployed today and that we are facing the possibility of having some 700,000 to 800,000 unemployed this winter, with the government obviously not taking any action whatever, a serious situation?

Mr. Harkness: One would never know what your grievance was until this moment.

Mr. Byrne: Whether or not the minister calls it a grievance is for him to decide.

Mr. Maloney: Did the hon. member express it as a grievance in 1954?

Mr. Byrne: With the hon. member mumbling in his beard it is difficult to know what he is saying. This is the remedy the then hon. member for Prince Albert had at that time:

> Professor J. K. Galbraith, professor of economics at Harvard, advocated reductions in personal income tax as a means of restoring a weakened economy. I believe that there must be a reduction in taxation. Today, company taxation is placing too great a load on initiative and in addition is taxing Canada out of the markets of the world.

The throne speech says that there is to be a tax reduction. We hope it will be brought in soon and that it will have the desired effect that the Prime Minister hopes for. Of course, the present Minister of Transport (Mr. Hees) also had some suggestions at that time. Perhaps he went a little bit farther than did his colleague. I quote from *Hansard* of January 14, 1955. By the way, this was not in the same debate but it is quite obvious from this quotation that the then members of the opposition spent much of that session spreading fear and gloom. He said, as reported at page 218 of *Hansard*:

> I believe the government would do well to study the program about to be undertaken by the government of the United States.

He suggested that we undertake a large road-building program and went on to say:

> I am not suggesting for one moment that the government should embark upon a highway-building program.

He did suggest that the government should advance large sums of money to the provinces to carry on such a program. Then, he went further and said:

> The government should also provide employment for many thousands of Canadians for several years ahead by making it possible for more people to buy new houses.

He had another good suggestion with respect to the purchase of new homes. He thought that the amount of the down payment should be reduced from 15 per cent to 10 per cent. That is certainly a remarkable suggestion and the minister is in a position where he can make the recommendation. He had some further recommendations. As a matter of fact, there was no end to his recommendations to the government as to what could be done to alleviate the unemployment situation.

But it was not only the members of the Liberal party who began to note that a serious unemployment situation was developing. Innumerable representations have been made to us and every day the newpapers are indicating what the situation is. Unemployment insurance commission officials apparently have discussed the matter with certain officials of the Canadian Congress of Labour. In that regard I should like to refer to a report in the Toronto *Star* of October 18. It refers to a Mr. Gargrave who, I hesitate to say, is a member of the political education committee of the steelworkers' union, I believe. Apparently he had a discussion with unemployment insurance commission officials and they indicated to him that unemployment may reach as high as 900,000 this year.

I have a letter here from the construction and general labourers union of Vancouver, B.C., dated October 15, 1957, the day after the house opened. The letter is signed by C. H. Savage, secretary-treasurer, and reads in part as follows:

> We would therefore request you to put the unemployment situation on your agenda for a thorough discussion as soon as parliament opens. May we say that our officers are besieged daily by men in search of employment—

Should we not have met the wishes of this construction union? Should we have gone to the Prime Minister in confidence and whispered to him very carefully that there is a serious unemployment situation in British Columbia? Some of the British Columbia papers are becoming quite concerned about the attitude of the government with regard to the unemployment situation. They are urging that the government face up to the situation rather than try to sweep it under the rug.

British Columbia may be particularly hard hit. As to that, I do not know. I do know that the revenues of the province from the forest industry have dropped by 30 per cent. One-third of the revenues of the province come from the forest industry. It has been hinted by some columnists writing in British Columbia newspapers, men who are very close to the government at Victoria, that there is a possibility of an increase in the sales tax in order that the government may carry on. That would be disastrous because our industries are already hard hit by a 5 per cent sales tax and other general taxes which are having the effect of driving industries out of the province.

We hope that some action will be taken soon to alleviate the situation. It was pointed out the other day that some 1,400 men have been laid off at Kitimat. There is also the danger of the Britannia mine closing down which will put approximately 800 more men out of work. Then there is the construction

industry which has already explained its position and the forest industry where there is approximately a 30 per cent reduction. These are very serious facts which have to be faced and I see no other way to deal with the matter. Simply to attempt to make it appear that there is no serious problem is not to face up to the facts at all.

We face another problem which may have an even more serious effect on the mining industry of British Columbia. Over the last few days it has been pointed out that the copper mines are in a very serious predicament. If the United States should go ahead with its proposal to impose a higher tariff on lead and zinc our mining industry will be almost wiped out. Something must be done in that regard. The government will have to take a stronger and firmer position with the United States authorities to make sure that nothing will be done that will put us in the position of having to try to export lead and zinc to the United States market in the face of a tariff rate that will be prohibitive.

While no action was taken by the last congress, it is quite obvious that strong forces are at work, and I believe that only today hearings began again in the United States and the lead and zinc producers of that country will be coming forward with very strong arguments. There is every danger that before long, probably by the first of the year, higher tariffs will be imposed unless the federal government takes very strong action to prevent it.

Since there is no further stockpiling in the United States it is obvious that necessarily there will have to be some curtailments of production, but the United States economy requires large amounts of imports from other countries, particularly from Canada. It is realized by Canadian producers that they will have to reduce the amount of their production and, so far as lead and zinc are concerned, the very large company with which I am more familiar has reduced its tonnage by some 20,000 tons over the past few months. They are playing their part.

It is up to the government to face up to these issues and do what they consider necessary. If necessary, they should continue this session on into the new year, but let us have something done that will provide for the unemployed by putting them to work. Then, too, let us hear that the Minister of Labour (Mr. Starr) is going to do something about increasing the benefits under the Unemployment Insurance Act for those who will have to maintain their families during this winter on the meagre amount that is allotted.

[Mr. Byrne.]

Mr. T. S. Barnett (Comox-Alberni): Actually, Mr. Speaker, I am a little bit hazy as to just what subject matter the hon. member for Kootenay East (Mr. Byrne) raised. However, I believe what I wish to say is related, at least in part, to the matter he raised. I took it that he started his grievance from the point of objecting to the Prime Minister (Mr. Diefenbaker) suggesting that we in this house were somehow doing a disfavour to the Canadian people if we attempted to bring before the house a true report of the conditions existing in the parts of Canada from which we come, in respect to unemployment or other related matters. Certainly, on that point I find myself in agreement with the hon. member for Kootenay East.

I noticed that he started out by suggesting that the Prime Minister had taken a different view when he was in opposition. I am not particularly concerned about that quarrel between the hon. member for Kootenay East and the Prime Minister, now that the hon. member for Kootenay East finds himself on the opposite side of the house. However, I certainly consider that it was a little improper for the Prime Minister, when no more had been said than has been said in this house about some of the symptoms of unemployment that are arising in this country, to make the suggestion that we should, in effect, "pipe down" and not report to the house conditions as we find them.

In my own constituency, for example, I know that one of the large logging and forest products companies recently announced the closure of seven of its logging camps. I know that there are several hundred plywood workers in British Columbia who have recently been laid off because of a lack of orders for plywood products. Actually I do not know whether or not the hon. member for Kootenay East would agree with me, but I believe the real grievance we have to bring forward is a grievance on behalf of the Minister of Labour (Mr. Starr). So far as I can see this government is doing exactly what the previous administration did. They are putting the Minister of Labour out on a limb by expecting him to shoulder the whole burden of dealing with the various questions that relate to unemployment as they arise from time to time. I would suggest, therefore, that the Minister of Labour is really the person who has the legitimate grievance in this connection. I realize that being a member of the government he cannot speak for himself in this connection in the house, so I am sure he will appreciate it if one or two of the members on this side speak for him.

We understand, of course, that within his own jurisdiction the Minister of Labour does have the authority to introduce amendments to the Unemployment Insurance Act. Several of us have suggested that this might be an appropriate time for him to do so. We realize that under the unemployment insurance commission comes the operation of the national employment service. I, for one, have already expressed some dissatisfaction over the fact that apparently all the Minister of Labour has done in connection with the national employment service is to issue some sort of a directive. He has been very hazy to date as to what results may have been achieved as a result of the issuance of this directive. I would suggest that if the operation of the national employment service is going to be more effective in this country than it has been in the past it requires much more than a directive. For one thing, there will have to be a great deal more use made of it by many of the large employers in this country than has been the case up until now.

There has been, I feel, a tendency on the part of many of these large employers to go to the national employment service when they are seeking workers with certain specialized skills. The practice throughout Canada as a whole, which I feel is all too prevalent, is for many of these employers to pick up their new employees from the line at the plant gate whenever they have an opportunity of doing that in periods of slack employment.

I would suggest that this matter of unemployment, when it arises, is really one for the concern and attention of the Prime Minister and the Minister of Finance (Mr. Fleming), as well as the Minister of Trade and Commerce (Mr. Churchill), and that it is not altogether fair for people like the Minister of Finance to leave the Minister of Labour on his own to cope with unemployment problems. As the hon. member for Kootenay East was speaking, I recalled that when we were engaged in the debate on the last budget introduced in this house some of the problems which are coming to the fore today were brought out in discussion by some of the members. I said something in that connection myself at that time.

When one recognizes, as those of us who come from British Columbia do, that this winter is going to be a rather gloomy one for a good many of our constituents who are not going to be able to find work, we cannot but recall that during the last budget debate a great deal of the discussion centred around the inflationary pressures on the economy and upon the tremendous construction boom. So far as I am concerned, the situation that now is developing in the province of British Columbia, according to all reports, is something for which the provincial administration has to take a great deal of the responsibility. During the budget debate I made some reference to the last budget speech in the provincial legislature by the minister of finance, Mr. Bennett. I had this to say, as recorded on page 2580 of *Hansard* for March 21, 1957:

> As far as he can see,—

That is Mr. Bennett.

> —the only solution seems to be to go on spending and spending in the field of capital construction without giving any thought to what may happen if that capital spending should stop.

I would suggest, Mr. Speaker, that we are now beginning to see what some of the results are in the economy of British Columbia when the period arrives when this extremely rapid capital expenditure begins to slow down. I went on to say this:

> When he talks about industry adjusting from time to time and taking the steps necessary for the consolidation of gains, the only meaning I can take from that is that sooner or later industry is going to stop this rapid expansion of plant and equipment.
>
> Once that is done, then some of these thousands of people who have been attracted to our province may not be such welcome citizens as they are at the present time.

I made those remarks on March 21 of this year and they will be found at page 2580 of *Hansard* of that day. That is not very long ago. Yet already, Mr. Speaker, I would suggest that some of the possibilities that I suggested then are coming to pass within our province. It should be of real concern to the members of this house that this is taking place. Undoubtedly and quite legitimately it should be brought to the attention of the government at this time.

The major industry in the Comox-Alberni area is, of course, the forest products industry. In that speech to which I have made reference I had something to say about conditions in the lumber industry. I pointed out that the great lumber corporations of the Pacific coast had over a period of years been able to make tremendous profits, a large part of which they had been plowing back into an expansion of the industry and into production facilities. In this connection I said on March 21:

> Sooner or later this program of rapid capital expansion will have to come to an end, and when that happens, particularly if it should be that the existing market has temporarily or permanently declined, then our province is going to be in a very grave situation, and many thousands of workers who have been working at what, compared with the national average, are quite good wages, are no longer going to have that sort of job.

Mr. Speaker, I think that enough may have been said in the house, and certainly enough

press reports are appearing to demonstrate that the fears, if you want to call them that, which I expressed last March are actually becoming the realities of the situation as it currently exists in the province of British Columbia. In that speech I also suggested the possibility that a time would come when we would have built more pulp mills than necessary having regard to the amount of pulp we could sell and that when that situation developed we were going to have these various concerns competing for a larger share of an existing market or a contracting market, a situation which would result in instability of employment and in some of the lay-offs that in point of fact we are now experiencing in the province of British Columbia.

I think it is and would be ill-advised action on the part of anyone having the responsibility of government or of anyone supporting the government to suggest that when a member of parliament rises in his place and attempts to draw this situation to the attention of the house he is thereby being an alarmist, or is crying "blue ruin" or that by so doing he is aggravating the situation. As the hon. member for Kootenay East suggested, the Prime Minister on former occasions put into words the idea that if we do not rise in our places here and speak the facts we are deluding ourselves and are doing a disservice to the Canadian people. What else are we here for, Mr. Speaker, than to bring to the attention of the government, which has at any particular time the responsibility of looking after the welfare of this country, the facts of the situation as we see them?

In conclusion, Mr. Speaker, as I said previously, I really feel that in rising to speak on the grievance raised by the hon. member for Kootenay East in this context I am really speaking on behalf of the Minister of Labour to his colleagues in the cabinet and asking them not to leave him out on a limb to cope single-handed with the solution of some of the problems that obviously are not entirely within his jurisdiction.

Mr. F. C. Christian (Okanagan Boundary): Mr. Speaker, I have a grievance and it is related to this question of unemployment. We are well aware of the fact that one of the first immediate things that was done by the government was to see to it that $150 million was provided for the purpose of constructing low-price homes. At the present time approximately $130 million of that sum of money has been allocated for that purpose and the government has intimated that when further moneys are required they will be made available. That particular effort on the part of the government was commendable and no doubt as time goes on a great deal of additional money will be required.

At the present time we are fully aware of the fact that there are in this country about 250,000 unemployed people. Various estimates are given and it is suggested that the number of those unemployed could rise to half a million or three quarters of a million this winter. In our own province of British Columbia the number of unemployed persons has doubled as compared to the number one year ago. That situation today applies in the Okanagan Boundary area from which I come where we have a number of industries such as mining, logging, ranching, fruit growing and others and where people at this particular time of the year are faced with the problem of seasonal unemployment.

I have heard various members of this parliament suggest that the government should face up to this situation. I suggest that the Minister of Labour (Mr. Starr) has a very difficult problem in this matter of unemployment and that if we, as members of parliament, can make suggestions to him, so much the better. However, thus far, after sitting in this house during the last five weeks, I have heard hardly any suggestions made for the purpose of minimizing the problems of the Minister of Labour. I should like to suggest that the federal government initiate an all-Canada work project.

At the present time the situation is favourable for that project because I believe that on November 25 and November 26 of this year there is to be a meeting between the various officials of the federal government and the premiers of the various provinces of Canada. I am more particularly concerned at the present time with those men in our country who are in destitute circumstances. What is going to be done in the next six months, twelve months or eighteen months to help those men who, through no fault of their own, cannot find employment? As you know, Mr. Speaker, unemployment is not a good thing for the country. It leads to increased crime. It means a waste of manpower. Not only that, but men who are not working suffer both mentally and physically.

I would suggest that the federal government initiate a works project and that men who are in destitute circumstances be given the opportunity to work on roads, to work on parks, to work on bridges and to work wherever they can serve a useful purpose for the country. It might be that when the government gives consideration to this matter it will say that these men who are in destitute circumstances should be paid a sum of money by way of a wage that is slightly in excess of the average amount paid to

people who receive unemployment benefit. That would, indeed, be a great step forward. As the house knows, in times of war and national disaster there is never any trouble about getting money, and in this time of peace, when we have in our midst people who are in poor circumstances financially I think the least we could do is to look after our own citizens and give them employment.

Mr. Ambrose Holowach (Edmonton East): Mr. Speaker, I wish to join with my fellow members in the Social Credit party in stressing the urgency of alleviating the serious and growing unemployment situation in Canada. I should also like to point out the necessity of creating conditions in which all these willing and able people in our great country will have ample opportunity of finding gainful employment. The question arises: what does this new government intend to do with respect to this serious situation? It is a basic question, since we have heard no statement from the government with respect to what their plans are, and there is no suggestion in the speech from the throne that they have an answer to this problem.

Across this country unemployment and lay-offs are growing alarmingly. Being broke, hitting the financial bottom, being without work, are situations which confront hundreds of thousands of our people at this very moment. I can understand their feelings of anger; I can sense their feeling of unhappiness as they wait impatiently for some exercise of judgment with respect to solving the difficulties which face them. Unemployment involves more than human tragedies, it involves a very serious loss of production for our country, because unemployment is never isolated, it is felt right across the board of our economic life. So, we repeat: what does this Conservative government intend to do with respect to this very serious situation? Responsible leaders and economists have predicted that this winter may see the greatest number of unemployed in postwar years. To substantiate this claim, I refer to a memorandum to the government of Canada dated October 21, 1957 issued by the Canadian Labour Congress, where on page 6 the following appears:

> The economic situation is causing us some anxiety. The August figure of persons without jobs and seeking work was 174,000. This is almost 69 per cent higher than last year. Even allowing for the increase in the total supply of workers available for work, unemployment in August was almost 64 per cent worse than last year. And the position is getting steadily worse. June this year was 31 per cent worse than June 1956; July was almost 55 per cent worse than 1956, August almost 64 per cent. There is every indication that September will be even worse.

Unemployment

> The proportion of unemployed to the labour supply in August was still not very high. But August is always one of the lowest months of the year for unemployment. With this big increase in the summer, what will unemployment be like at the peak next March?
>
> From August 1956 to March 1957, the number of persons without jobs and seeking work rose by 240,000. The same absolute increase this year would mean a March 1958 total of 414,000. But we shall be agreeably surprised if the figure is not considerably higher, unless the present trend is arrested or reversed. A very much smaller percentage increase than took place last year would bring the March 1958 figure up to the postwar peak of 9.5 per cent of the total number of workers. This winter may well see the worst unemployment since the war, perhaps as high as 450,000 persons without jobs and seeking work, and 700,000 unplaced applicants at N.E.S. offices.

Well, Mr. Speaker, I hope that those predictions are wrong. Nevertheless, there are several things, historical and economic, which bear repeating because they are true. I want to say this at the outset: I am not critical for the sake of being critical, but I say what I am going to say in order to emphasize the need of correcting this persistent problem seriously. What are the facts? During every session of parliament in the past the question of mass unemployment has been debated and discussed thoroughly. The answer, as presented in the case of the Social Credit party, involves the government's monetary and fiscal policies. By its very nature, unemployment involves monetary considerations. The federal government alone possesses the right of monetary correction. That is why we stand for, and demand, a new financial deal for Canadians.

The former Liberal government kept putting off the solution. Instead of action they adopted the attitude of letting the years bring what they may. Today we are again debating the unemployment situation. We deeply regret that the spokesmen for the new government seem to be meeting that situation in exactly the same manner as the previous administration. The same pattern appears. The only difference, as far as I have been able to see, is that on the one hand the Liberals openly mourn their loss of power, while on the other the new Conservative government has difficulty in constraining itself from showing its jubilation at being in power.

Unless the government announces without delay a new and dynamic monetary policy to meet the problem our suspicion will be confirmed that both the old-line parties have failed to devise policies which will create those conditions which I mentioned at the beginning of my remarks, namely conditions in which all our peoples will be able to find gainful employment.

I think it is a very sad commentary on the intelligence of this and previous administrations when we consider that when it comes to war or preparation for war they can use

the techniques of finance to accomplish what is virtually impossible, yet as soon as the emergency is over we find the paradox of poverty in the midst of plenty, the paradox of our people having produced abundance of goods and services and then being unable, through lack of purchasing power, to acquire what they have been able to produce.

I admit that the problem of unemployment is not a simple one and it is equally true that the solution lies not only in increased production but in a greater consumption of our goods both here and abroad. Referring specifically to the domestic field, it is obvious that we need financial policies which will more equitably equate the earning power of our people with the productive capacity of the nation. At the present time our gross national product is well over the $30 billion mark, yet the total of all purchasing power in our country is many billions of dollars less. The claim is made that unemployment is seasonable, that it is unavoidable and normal. That is one of the phony arguments that has been used by the two old line parties as an escape clause because they have not got an answer.

Mr. Baskin: What is your answer?

Mr. Holowach: I will tell you right away.

Mr. Baskin: Let us have it.

Mr. Hahn: You will learn in a while.

Mr. Holowach: Our answer, Mr. Speaker, as I indicated before, is to make sure we reform our economic system and equate the purchasing power of our people with the productive power of this nation. We believe that parliament should have the power to determine a financial policy that will make it—

Mr. Baskin: What have we got now?

Mr. Holowach: —obligatory for the banking system of this country to monetize the real wealth produced by the people of Canada so that the total income of our people will automatically be sufficient to equal the total market value of their production. That is our answer.

Mr. Johnston (Bow River): What is wrong with that?

Mr. Baskin: What is right about it?

An hon. Member: The fact that you smile about it, that is what is wrong with it.

Mr. Holowach: With respect to whether or not unemployment is normal I would say the only thing normal about unemployment in a country such as Canada is that it is a normal consequence of faulty monetary policy condoned by the old line parties.

[Mr. Holowach.]

Let us look at the facts. Across this country homes are desperately needed. We are falling further behind in the job of providing Canadians with decent and low-cost homes. Let us face up to the fact that shortages in housing are causing many crises in family life. Just how stupid can we be? We have the unemployed manpower, the materials and the skills to fulfil the housing needs but under the prevailing tight money policies of the previous Liberal administration as well as the new Conservative government home starts are dropping sharply and lay-offs in all fields of the construction industry are on the increase.

Roads and arterial highways are desperately needed across the country. Some 16 years ago we commenced constructing the trans-Canada highway, one single road across the nation and it is still in process of being completed today. How long do we have to wait before we start to build the other highways that are essential to the economy and defence of Canada? On repeated occasions I have drawn the attention of the government to the need of constructing additional trans-Canada highways and in particular a highway that would run from Winnipeg by way of Saskatoon, Edmonton, Jasper park and the Yellowhead route to the west coast. It is about time we did something in that regard.

Right across Canada there is the need of vast national undertakings and projects essential to the national interest which are physically possible and desirable. Let us consider for a moment the backlog of essential public facilities at the junior or municipal level of government. This backlog includes hospitals to restore the health of our people, schools to relieve the shortage of classrooms and sewerage and sanitation projects to meet the requirements of expanding communities. In the light of these needs it is nonsense to suggest that unemployment in Canada is unavoidable or inevitable. In fact the most amazing spectacle in our country today is that of underemployment.

May we ask this question: will this government which prides itself on being a new deal government possess the courage to implement fiscal policies which in their objectives will aim to make financially possible what we know is physically possible and desirable? If we are able to do this Canada can be built into a leading nation within our lifetime. The remedy calls for a full recognition of the role of comsumption in our economic system. If this is so, then we must overhaul our tax structure which has reached excessive and crushing proportions and is destroying

the buying power of the dollar as related to the consumption of goods. The government must also help in meeting the credit and mortgage needs of our people in order that they may acquire homes at reasonable terms. Furthermore, the needs of small and medium-sized businesses must be recognized by reducing the crushing tax load and loan restrictions which face them. These are the shots in the arm which our country needs if we are to expand production and alleviate unemployment.

In this discussion of labour and unemployment problems I feel strongly there is one problem perhaps more worthy of our attention than any other. I have in mind the problem of older people seeking work and the difficulties they encounter in this connection. These difficulties are compounded not only by the barriers that are set up against them in industry but also by the neglect in legislation. Many of these older people are healthy and active but because of their age the opportunity to earn is denied them. Whether business is good or bad no one wants to hire the older worker. Finding a solution to this important problem of jobs for older people is a task for parliament, for industry and for the Department of Labour.

As a start I suggest the establishment of a fund and the institution of a program in the Department of Labour to help these people in the meantime by inducing priority in placement and to reduce the barriers erected against this worthy element of our society. I believe that to do this little bit is to do something that would at least give all of us a sense that we are participating in a positive action against manpower wastage as well as one of special humanitarian significance.

AIR TRANSPORT—SERVICE UNDER BILATERAL AGREEMENTS

Mr. A. R. Smith (Calgary South): Mr. Speaker, I would not have the opposition feel that a member of the government party did not have a grievance with the government.

Mr. Byrne: We are sure that yours will.

Mr. Smith (Calgary South): What I have to raise is a grievance which I think affects every constituency but perhaps I may apply my particular reference to the area I know best if the house will grant me that liberty. I intend in a very few words to make reference to air regulations and bilateral agreements but not necessarily to air carriers. My grievance is, if I may state it at the beginning, the lack of proper consideration for Canadian landing points which of course are subject to the international bilateral agreements. I do not blame Trans-Canada Air Lines; in fact I think I might even pay them a compliment to a certain extent. We have heard on a number of occasions in this house severe criticism of Trans-Canada Air Lines and even the question of its proposed sale has been raised, with which view I do not agree. As an active pilot and one who has flown on most airlines on this continent I would say that in so far as aircraft servicing and airline practices are concerned there is no finer airline in the world, bar none.

Mr. Knowles (Winnipeg North Centre): Hear, hear.

Mr. Smith (Calgary South): Nevertheless, Mr. Speaker, I do agree with those who believe that it suffers from a rather sheltered position; and which very seriously affects its public relations.

In a paragraph or two I should like to urge upon the government the necessity of giving consideration to the problem of a number of communities which today are not serviced by any north-south connection and which, by their very nature, as I said initially, is regulated under the bilateral agreement and are influenced by what we regard as the cat-and-mouse game. The fact of the matter, Mr. Speaker, is that if you wish to initiate any possible landing right in one country or another you find that it involves a rather complicated agreement. The situation in Calgary is such—in fact, in the entire western area between Winnipeg and Vancouver—that we are not serviced to our southern cousins by anything other than one milk route. The net result is that a passenger—and there are a great many of them—who uses the south connection, such as it is, is forced to undergo a very lengthy layoff in one of two cities. In fact, it is nearly as fast to go by motor car or mule.

We in Calgary are in this position, and since it is applicable to a number of other centres, I would suggest that consideration be given to inviting the United States to reopen negotiations which admittedly have to date been conducted on a rather horse-trading basis in the past. I suggest that we point out to them that very large metropolitan centres are being denied free access by either Canadian or United States carriers. I am not concerned what carrier it might be purely because we are frightened to sit down around the negotiation table for fear that what we might gain on the one hand we would give away on the other. In the meantime those who are in the less populated areas have not the same influence and they suffer disastrously.

The city of Calgary is an example. It is a metropolitan centre which is naturally

the headquarters of the oil industry. Because of the location of Calgary those personnel who wish to visit United States centres of industrial importance must go through Calgary. We have no airline route which would conceivably get them there directly unless they go into the city of Edmonton and take the northern route, or unless they take the bus in many instances and go to Lethbridge. It is interesting to note that 80 per cent of loadings for U.S. points from Alberta originate in Calgary, yet we have no service south. The net result is we have built up in the city of Calgary one of the biggest centres of private aviation of executive type aircraft that it is possible to have. Unfortunately, many of those people cannot afford this luxury and they have no hope of carrying out their business in an effective manner.

Therefore, my grievance, simply expressed, is this. Let us recognize that we are going to have to re-open the bilateral negotiations soon. Let us say that we are prepared to recognize that many of those areas—and particularly the constituency which I represent—have no service at all. Let us say to the United States that one of two carriers —two in particular in the United States— who are prepared to service Calgary should be permitted to come in unless some Canadian airline is permitted to give the same service. I hope, sir, that the government will consider this as a grievance because the problem is perhaps one of those which, from a convenience standpoint, is certainly most urgent.

(*Translation*):

REQUEST FOR EXTENSION OF BROADCASTING SERVICE

Mr. C. N. Barbes (Chapleau): Mr. Speaker, I have a grievance to put before the house. With your permission I would like to speak about radio and television service more particularly as it concerns the area which I represent in this house the constituency of Chapleau.

A number of listeners in the Abitibi area have expressed the wish to be provided with certain religious broadcasts such as Sunday mass and morning devotions at 7.30 each morning, through the private stations at La Sarre and Amos.

Radio is a social service which should satisfy the tastes and the needs of the public. As the people of Abitibi are 90 per cent French-speaking and Catholic, it would be well for the C.B.C. to insist that the private stations associated with the government network, such as those of the Radio-Nord Inc. chain, provide their listeners with a good many additional broadcasts originating with the C.B.C. I make that suggestion also on behalf of listeners who are in poor health, old, crippled, or invalids. I know too that a great many people who have to look after numerous small children are unable to attend mass every Sunday because of the distance they live from the churches.

My request is also justified by section 21 of the Canadian Broadcasting Act (chapter 32 RSC). The broadcasting licences are defined as being a temporary and conditional alienation of an important and precious element of public wealth to the benefit of a group or a company.

The C.B.C. is empowered to set the periods during which a private station must carry network programs. Licence holders, especially those in private networks, who are thereby the sole broadcasters in an isolated area such as ours, have a duty to supply to the whole of their listening public the best programs of the French network.

As regards the radio program called "Morning Devotions", it is so varied and of such high quality that our people would like to enjoy it every day. It must not be replaced by songs or by music sometimes of a dubious if not bad taste. Would you agree, Mr. Speaker, to replace the daily prayer in the house by discussions relating to rock'n roll? Certainly not.

Private radio stations should at all times show themselves worthy of the licence that has been granted to them, and of the privilege of the exclusive use of the air, which is part of public property.

An effective way for the government to encourage a better standard of radio service in a given area consists in supplying that area with the additional service of the C.B.C., thereby giving listeners the opportunity to choose whichever program they prefer.

I favour private enterprise as long as it maintains for the benefit of the public a service always worthy of commendation.

I would like to add a few words, if I may, on a related subject. I assure you that, in the Abitibi area, we have long wanted to view the programs which the French television network has been broadcasting for the past five years in Canada. According to official reports supplied to us, 86 p. 100 of this country is now well covered in this field. We should like to have the same treatment in

the Chapleau constituency. We should like the advantages of French television service because this service would only be normal, I believe, in an area where the population is almost 90 p. 100 French-speaking. It is only fair to ask the government to offer us at least the French programs if it is too difficult to give us the benefit of both networks as is already the case for many other areas.

A private station, CKRN - TV in our neighbouring county of Villeneuve, should soon start its TV operations but will not cover the whole of my area. For that reason, I ask the government to supply us with the services of the national network in Chapleau. At Rouyn, in the county of Villeneuve, CKRN - TV will assign 50 p. 100 of its time to French programs. But this is not enough. What we want is a transmitting station for the benefit of the eastern part of Chapleau, Barraute, to Clova and Parent, an area more than 200 miles long which will not be reached by the Rouyn station.

Everywhere in Canada, the population insists on getting numerous programs of an irreproachable quality. People who know have said that C.B.C. compares favourably with other richer and more extensive networks. Canadians may no doubt be proud of the C.B.C., and it is exactly because we are 125,000 Canadians proud of the progress made by our country that we insist and wish to see, in our own homes, with our own eyes, the gigantic growth of Canada through the medium of radio and television. We need a service of this type for our entertainment but still more, no doubt, for education purposes. We need television, for instance, for all our bush workers and our mine workers who live very far from the cities and have no other means than radio to witness the gigantic growth of our country. We must open a window to children and our fellow citizens so that they may know each other better and have more reason to love Canada, a country of more than 16½ millions of citizens who should have closer relations in order to achieve their goal, that is to live in good understanding, from one part of the country to the other.

To reach that goal, Mr. Speaker, it would be as necessary to supply all our fellow citizens with adequate radio and television services as to defend ourselves from external enemies who sometimes spread subversive propaganda.

We recognize that our radar systems of warning, those for example of Parent and Senneterre, which have been set up at great cost, are useful even if one day we find that guided missiles could fall on us before the signal is given by telephone to the prime minister's office.

And as far as we are concerned, Mr. Speaker, we believe that the requested radio and TV service is as urgent and more important, for several reasons, than the broadcast of numerous international programs in sixteen or seventeen foreign languages to serve the Norwegians, the Swedes, the Danes, the Finns, the Dutch, the Italians, the Germans, the Austrians, the Czechs, the Russians, the Ukrainians, the Poles or others. It would be more urgent to offer this service to the French Canadians of northwestern Quebec who have none at all than to the peoples of Europe or Latin America who do not pay any taxes in Canada. Canadians have to pay for that. May the government then give, without any more delay, complete broadcast service in French or in the two languages so recently spoken by our very gracious sovereign, Her Majesty the Queen, when she visited Ottawa.

Admittedly the government finances an important part of television. Such being the case we would like the C.B.C. to set aside a part of the money it receives to create a system of relay towers which would bring T.V., by microwave over the Laurentians, beginning at Ottawa or Montreal, and reaching northward as far as the constituency of Chapleau. This should be done even at the expense of reducing broadcasts beamed towards Europe.

Let the C.B.C. create a high power station to serve Canadians in Chapleau. Some of the larger centres enjoy the two networks at the same time, which is all to the good. But, Mr. Speaker, we would at least like to have French language television service throughout our home area. I could add at this point that my constituents have already begun, in large numbers, to pay towards the cost of establishing such a telecommunication service by buying receiving sets which are liable to a special 15 per cent sales' tax the proceeds of which are handed over to the C.B.C. which uses them to establish new services.

If the government were to decide that the development in question would cost the C.B.C. too much at this time, do not forget that it would be in a better position to justify the maintenance costs of the radar system passing through Parent, Senneterre, and along the "Pinetree" line, if a picture transmission service were added to the latter. If the government really wishes to economize as claimed,

it would be easy for the Minister of National Defence (Mr. Pearkes), the Minister of National Revenue (Mr. Nowlan) who has the C.B.C. in his care, and the other members of the government, to direct that the "Pine-tree" radar line be modified to transmit television pictures as far as Parent and Senneterre, where radar stations are located and enable our people to receive the telecasts thus relayed. Some say that our defence and radio and television services are more or less kept in watertight compartments. Well, those are the very compartments which the government must open. Let us therefore hold a conference at the Parent station or, if it is preferable, at Senneterre, where the Gordian knot could easily be cut.

On behalf of all the people of my constituency, I therefore urge the federal government to take immediate action to achieve in the near future the two improvement and development suggestions which I have explained too rapidly here concerning radio and television broadcasting, particularly in the eastern part of my constituency.

After witnessing several days ago all that was done in order that our royal visitors could appear at the same time on the Canadian and American television networks, I am sure that, if the government will only give favourable consideration to our requests, everything will be in operation very shortly.

In a few weeks the C.B.C. has done wonders, and I commend those who have directly or indirectly taken part in this gigantic operation, which made it possible for us to see Her Majesty the Queen of Canada, and thus admire and respect her the more.

Unfortunately, the children of my district have, generally speaking, not been able to see Queen Elizabeth. We should not wait any longer; it is time to act and the whole population of Chapleau is anxious to see this project carried out.

It is true that the networks have cost many million dollars last year; five million people have seen live broadcasts of our great hockey games. And, as soon as the winter season begins, we, in my riding of Chapleau and elsewhere, also want to see all the hockey games and all the educational programs, which the C.B.C. may broadcast every day. The project is feasible, if the government really wants to give us the improvements I request and which the people of my county of Chapleau entirely approve.

(*Text*):

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, my grievance is the same one in principle as that of the previous speaker but with a different locale. I rise to protest the continued denial of satisfactory radio reception to some 5,000 of my constituents and the denial to those constituents of the opportunity to hear the excellent programs of the C.B.C. We have had radio operations in Canada for over 30 years. One would hardly credit that in one constituency there are over 5,000 people today who have not had the opportunity to enjoy the programs of the Canadian Broadcasting Corporation except on very rare occasions in daylight hours. During the evenings they have to rely entirely upon United States programs which many of them do not enjoy to any great extent.

I speak from personal experience, Mr. Speaker, because my little log cabin is situated in this considerable area that is isolated from the general communications of the C.B.C. To show how difficult it is, I remember that one Sunday evening one of my daughters came and said, "The member for Macleod is speaking, daddy." We twiddled with the radio and could hear a squeak and a burp and finally we heard a voice say, "This is San Francisco; you have been listening to Charlie McCarthy." Anyway, Mr. Speaker, that is the sort of radio reception we get in our district. I know the department concerned and the C.B.C. have been interested in correcting this situation for some years. Some years ago studies were made with respect to installing a somewhat higher powered station somewhere in the interior of British Columbia. After various tests were made, it was found that even the expenditure of quite a large sum of money would not guarantee satisfactory radio reception to the area in my constituency to which I am referring. I understand from the engineers and technicians that this difficulty is caused by the mountainous terrain and the very small amount of soil over a large section of the mountains themselves at the higher levels. I understand it is a condition that also exists in some other parts of Canada.

Anyway when that was discovered I was informed the only way to correct this situation and bring the programs of the C.B.C. to these 5,000 people denied them was to go in for the erection of low-power relay stations. Naturally, I was all for that suggestion. I have been urging that for some seven years in this house, Mr. Speaker. We required some five stations, I understand, to satisfactorily serve the areas particularly mentioned. We had two stations installed, one at Castlegar and one at Kaslo. The one at Kaslo serves a population which is delighted to

have the opportunity of listening to the C.B.C. and other Canadian programs. Naturally, this improved radio reception at Kaslo has caused an increasing ferment amongst those who have been denied radio reception for a period of 30 years, while at the same time we are spending many millions on bringing television to the majority of the Canadian people.

This situation is of such concern to these constituents of mine that the farmers' institutes, women's institutes, chambers of commerce, boards of trade and other organizations have dealt with the question at various meetings and have adopted resolutions and forwarded them to me as well as to the appropriate persons in the various government departments. In addition to that, at the last convention of the chambers of commerce of southeastern British Columbia a resolution was again passed asking the government to give consideration to the correction of the situation so far as radio reception is concerned in those areas of southeastern British Columbia denied it.

Now, Mr. Speaker, after we had the two stations installed, the one at Castlegar and the one at Kaslo—which incidentally is the birthplace, I believe, of the Minister of Public Works (Mr. Green) and I know he is interested in this question so I expect him to support me on it—I have been informed that the others could not be erected because of a lack of funds and the expense in developing television. In order to service the district properly a low-power relay station should be erected at Balfour to serve the Kootenay lake area and the communities of Queens Bay, Kootenay Bay, Proctor, Crawford Bay, Gray Creek, Port Crawford and Boswell. There should be another one erected on Slocan lake, possibly at Roseberry. There is one required at Nakusp to serve the Upper Arrow lakes and south.

As I said before, I have urged the installation of these stations for seven years, then suddenly we were faced with the fact that there was insufficient funds owing to the increased expenditures of the C.B.C. on the extension of radio and television in other areas, but particularly with respect to television. Then I was told the matter would have to lay in abeyance until the report of the royal commission on broadcasting and television was received. Well, Mr. Speaker, that commission reported this year, March 15, and in its report dealt with this very important question. I have made many representations in this house and the matter has been brought to the attention of the special committee on broadcasting and television on several occasions. I had considerable correspondence with the various ministers, the governor of the C.B.C. and his technical and engineering Staff in British Columbia. I hope we are getting much closer to the time when the situation I have mentioned will be corrected.

I want to quote for a few minutes from the report because it mentions that this is a situation that has been experienced by other communities in Canada and certainly it should not be allowed to continue in this day and age. There is a chapter in this book entitled "Improvement and Extension of Coverage". I am quoting from the report of the royal commission on broadcasting, 1957, and this is what is stated at page 209:

> It came as something of a surprise to us that as much as 74 per cent of our total population is within reach of four or more radio stations during the daytime. At night, this percentage drops to about 43 per cent due to an increase in interference from distant co-channel and adjacent channel stations. The following table shows the percentages of population capable of hearing one, two, three or four or more Canadian radio stations.
>
> At first glance, it would appear that radio coverage in Canada is very good. And indeed it is. Yet there are still almost half a million people in this country who cannot, except under freak atmospheric conditions, receive the signal of even one Canadian station. After considering every aspect of this question with our financial advisers and the C.B.C. management, we have come to the conclusion that a limited plan for the extension of radio coverage is desirable.

Then, at page 210 the commission had this to say:

> The most important single element in this plan is the erection of the 97 low-power relay transmitters and the four new transmitters which is contemplated in our six-year forecast at a total capital cost of nearly $2 million. These new facilities, particularly the low-power relay transmitters, are to be located in remote areas of every province except Prince Edward Island which, for obvious reasons, does not give rise to as difficult problems as her sister provinces. The over-all capital investment in the extension plan will be about $3.3 million including a contingency of $1 million to provide for future growth and shifts in population.

Now, Mr. Speaker, I do urge the government, when it is considering this report and preparing its estimates—I am now speaking to the Minister of Transport (Mr. Hees), the Minister of Public Works for sympathetic purposes, and I trust the Minister of National Revenue (Mr. Nowlan) will read what I have to say tomorrow morning as he usually does—to give consideration to the fact that radio services should be rendered to these people who are producing a lot of wealth in the isolated portions of this country.

Incidentally, I might mention in this respect that I represent the constituency that pays the highest income tax per capita in Canada and has the highest wage income per capita in large sections of the constituency as a result of the operations of the smelter, mining industry and lumbering industry.

This constituency makes quite a contribution to the national revenue, and on that basis and in view of all the circumstances and the fact it is working to pay its own share, I hope my representations will engender a favourable response from the ministers concerned.

BEET SUGAR INDUSTRY

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I rise to voice a grievance in that the Canadian sugar industry appears to continue to be dangerously exposed to Cuban sugar producers. May I draw to the attention of the house a number of important facts concerning the beet sugar industry of Canada. The beet sugar industry does help, and could and would help Canada, first, to deal with her serious adverse trade balance problem; second, to ameliorate her wheat surplus problem; third, to make highly beneficial use of her fine irrigation districts in Alberta and elsewhere; fourth, to strengthen her supply position in case of war, particularly in reference to sugar for human food and for all its many other uses, as well as to certain extremely valuable livestock feeds including wet beet pulp, dried beet pulp, beet tops, beet molasses and beet tailings; fifth, to provide employment for many Canadians, and home markets for several Canadian products of which let me mention coal, coke, lime and bags, to list only a few; sixth, to conserve and enrich Canadian soils upon which the sugar beets are grown.

The beet growing industry is a thoroughly sound agricultural industry. It is just as sound as is any other branch of Canadian agriculture such as grain growing, poultry producing, dairying or livestock raising. The sugar beet growers, like the growers of any other product in Canada, are vulnerable to dangers within Canada such as factors like a cost-price squeeze. They are vulnerable also to unfair competition from outside Canada, factors like the cane sugar producers of Cuba, the Philippines and other tropical countries with low wage scales and exceptional climatic, geographical and other advantages, such exceptionally favoured cane producers, if unhindered by special Canadian restrictive measures, being, in any normal year, able to pour into Canada enough refined sugar to ruin Canadian sugar producers, either beet sugar growers and refiners, or cane refiners.

Canadian beet sugar refiners require the Canadian federal government's care, much as do other Canadian agricultural producers. Canadian beet sugar growers ought to be shielded by the Agricultural Prices Support Act. Canada's beet sugar producers ought to be secured by a Canadian sugar act appropriately like the United States sugar act of 1948, which act is based upon (1) quotas, (2) price adjustments; (3) extensive home production of sugar consumption.

May I give the house a few facts to show something of what Cuba has done in times past, and what conceivably Cuba might do again; facts to show also what Canada did to protect her producers both of cane and of beet sugar? During the year 1931 the price of Cuban sugar fell to an almost unbelievably low level. Tariffs could not shut it out. Canada, on January 27, 1932, passed order in council P.C. 181, granting power of fixing, for duty purposes, at $2.30 per hundred weight the price of outside sugar at place of origin. On January 30 appraiser's bulletin No. 3815 announced this fixing of sugar price. This measure shut Cuban sugar out of Canada.

The Liberal government on November 20, 1939 cancelled, as a wartime move, appraiser's bulletin No. 3815. This action left the sugar controller of Canada to take whatever means he might consider needful to exclude, or to admit, sugar from outside Canada. The Liberal government abolished wartime control of sugar on April 1, 1950.

In 1952 Cuban sugar began coming into Canada in great amounts. Apparently Right Hon. C. D. Howe had a personal promise from Cuba that she would refrain from sending Cuban refined into Canada in injurious quantities.

Will the Minister of Trade and Commerce (Mr. Churchill) look into the situation at present and, at an early date, give the house a statement upon the whole situation as regards Canadian beet sugar producers and Cuban sugar? Then will he tell us whether or not there has been anything comparable to the imposition of the $2.30 minimum at place of origin? If nothing like that has been done, I feel that our producers are in a dangerous position.

Some hon. members will wonder whether or not all of the statements I have made in making these remarks can be adequately substantiated with dependable data and other evidence. Because of the shortage of time at my disposal I have had to omit the plentiful documentary and other evidence in my possession. Those desiring to read that evidence may find much of it in a speech which I delivered on December 4, 1952, as recorded on pages 339-344, volume I of 1952-53 *Hansard*. They will find additional evidence in a speech which I delivered on December 17, 1952, as recorded on pages 840-845 in the same volume of *Hansard*. Still further evidence will be found in a speech I delivered on February 11, 1953, as recorded on pages 1841-1846 of 1952-53 *Hansard*; and yet more in my speeches of March 5, 1953, recorded on pages 2654-2659

and of March 16, 1953, as recorded on pages 2972-2976 of 1952-53 *Hansard*.

In my speech of April 7, 1953, recorded on pages 3560-3565 of 1952-53 *Hansard* is to be found a discussion of the United States sugar act of 1948, why it was enacted, and what it provides as a solution to the difficult problem of sugar in any country like Canada or the United States. The United States sugar act of 1948 has recently been extended indefinitely with modifications.

Mr. Speaker, I suggest to the minister that he give the most careful consideration to the drafting and introduction of a Canadian sugar act similar to that of the United States.

Mr. Speaker: Order. It being ten o'clock p.m., it is my duty, pursuant to section 4 (f) of standing order 56, to interrupt these proceedings and forthwith put the question on the motion now before the house. Accordingly, the question is the following one:

Mr. Fleming, seconded by Mr. Churchill, moved that the Speaker do now leave the chair for the house to resolve itself into committee of supply.

Is it the pleasure of the house to adopt the motion?

Motion agreed to and the house went into committee, Mr. Courtemanche in the chair.

The estimates of the following departments were first taken up and entered for consideration:

DEPARTMENT OF EXTERNAL AFFAIRS

94. Departmental administration, $4,880,806.

DEPARTMENT OF FISHERIES

General services—

139. Departmental administration, $319,700.

DEPARTMENT OF JUSTICE

172. Departmental administration including annual contribution of $200 to the conference of commissioners on uniformity of legislation in Canada, $543,155.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

Administration services—

213. Departmental administration, $530,620.

DEPARTMENT OF THE SECRETARY OF STATE

406. Departmental administration, $264,655.

DEPARTMENT OF VETERANS AFFAIRS

497. Departmental administration, $2,304,705.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I ask what the business is for tomorrow and whether it shall be in the order announced by the chairman of committees?

Mr. Green: Mr. Speaker, tomorrow we intend to commence with the estimates of the Department of the Secretary of State, followed by the estimates of mines and technical surveys, then veterans affairs, fisheries and justice. The estimates of the Department of External Affairs will be referred to the standing committee.

Mr. Chevrier: Consideration of the estimates will be in the order just given?

Mr. Green: Yes.

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 FIGURES, COAL MINERS, N.S.

Question No. 62—**Mr. MacEachen:**

1. How many coal miners are presently employed in (a) Cape Breton area; (b) Pictou area; (c) Springhill area of Nova Scotia?

2. How many coal miners were employed in October, 1956, in (a) Cape Breton area; (b) Pictou area; (c) Springhill area of Nova Scotia?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. Latest figures available from the dominion bureau of statistics relate to the month of September 1957. The number of employees at the mine on the payroll during the month in the areas specified were reported as follows:

(a) Cape Breton island	7,303
(b) Pictou area	528
(c) Springhill (Cumberland) area	1,214

2. Comparable figures for September 1956 were:

(a) Cape Breton area	7,529
(b) Pictou area	895
(c) Springhill (Cumberland) area	1,637

U.S. AIR LINES—APPLICATIONS TO ESTABLISH SERVICE

Question No. 94—**Mr. Fisher:**

1. How many American air lines have sought permission to establish regular service into and out of Canada since the inception of air transport board?

2. Have any such applications ever been approved without a bilateral agreement with the government of the United States of America?

3. If so, what air lines and routes were approved?

4. Is there any regular schedule of international discussions on the question of such franchise applications?

5. If there is no regular schedule from whom must the initiative come for the introduction of a unilateral agreement to approve such a franchise?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

The air transport board advise as follows:

1. Ten.

2. No. All such services have been authorized by intergovernmental agreement.

3. See answer to No. 2.

4. No.

5. There is no question of a unilateral agreement. Either government desiring to modify, amend or supplement the bilateral air agreement, may, at any time, request consultation with the other government.

TRANS-CANADA PIPE LINE SPREADS

Question No. 138—**Mr. Benidickson:**

1. Into how many "spreads" east of the lakehead has the crown financed section of the natural gas pipe line been divided for construction purposes?

2. For how many such "spreads" have tenders been invited, and what companies were invited to tender on each "spread"?

3. Which of these companies, so invited to tender, are (a) Canadian companies; (b) foreign companies?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. Five.

2. Five: Mannix Co. Ltd.; Majestic Contractors Limited; Dutton-Williams Brothers Limited; Canadian Bechtel Limited; Price-Poole; River Construction Corporation; Morrison-Shivers Limited; Conyes Construction Corp.; Oklahoma Pipe Line Constructors; Houston Contracting Company; J. P. Neill and Company.

3. On the basis of information supplied to Northern Ontario Pipe Line Crown Corporation:

(a) The following are Canadian companies: Mannix Co. Ltd.; Majestic Contractors Limited; Dutton-Williams Brothers Limited; Canadian Bechtel Limited; Price-Poole; River Construction Corporation; Morrison-Shivers Limited; Conyes Construction Corp.

(b) The following are United States companies: Oklahoma Pipe Line Constructors; Houston Contracting Company; J. P. Neill and Company.

Although J. P. Neill and Company was invited to tender, the tender itself was submitted by Nelen Limited, a Canadian company.

CAMP GAGETOWN

Question No. 144—**Mr. Robichaud:**

1. What is the total amount spent to date by the national defence department for the construction and operation of Camp Gagetown?

2. What is the total amount spent by Central Mortgage and Housing Corporation to provide accommodation for personnel, etc., at Camp Gagetown or at Oromocto, New Brunswick?

3. How many men were trained at Camp Gagetown during the 1957 season?

4. How many are expected to be training at Camp Gagetown during 1958 according to the program actually laid out by the national defence department?

5. How many civilians are presently employed in connection with the maintenance of Camp Gagetown?

Answer by: **Hon. Ellen L. Fairclough (Secretary of State):**

1. Total amount spent by Department of National Defence for construction and maintenance of Camp Gagetown (including married quarters and schools) $91,221,143.00.

2. As of November 7, 1957, Central Mortgage and Housing Corporation, as the agent of Department of National Defence, had expended $14,362,235.00 to provide accommodation for personnel at Camp Gagetown. As of the same date no expenditure had been made at Oromocto. ($14,362,235.00 is included in total $91,221,143.00 in No. 1).

3. Approximately 10,400.

4. It is estimated that 4,400 regular army personnel will undergo training at Camp Gagetown during 1958. An additional 2,500 vacancies will be allotted to militiamen for an attachment of one week's training with regular army.

5. As of 31 October, 1957—149.

ST. MAURICE RIVER ESTUARY—BRIDGE

Question No. 153—**Mr. Rochefort:**

1. Does the government intend to build a bridge over the St. Lawrence river at the estuary of the St. Maurice river, or in the vicinity, in order to connect the south shore with the north shore?

2. Will research work to decide as to most suitable site for the bridge be carried on by government engineers or will foreign consultant firms be employed?

3. Has a site been chosen? If so, by whom?

4. Will the city council and public bodies of the city of Cap-de-la-Madeleine be consulted in this connection, and will they be represented on all agencies directing the research work?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. No policy has been decided upon.

2, 3, and 4. Answered by No. 1.

Questions

PITWOOD EXPORTS, ATLANTIC PROVINCES

Question No. 188—**Mr. McWilliam:**

1. What steps has the government taken towards securing pitwood contracts for overseas markets for Atlantic province pit-prop shipments during 1958?

2. What has been the result to date?

3. What are the future prospects?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. In August of this year the Department of Trade and Commerce became concerned over the prospects for export sales of pitwood for 1958. Investigations into market possibilities were made and as information was collected this was passed to the trade and to the provincial governments chiefly interested. In particular it was made known to the U.K. authorities that Canadian producers were interested in tendering on the requirements of the national coal board as in previous years. This business is at present under negotiation by the producers.

2. Direct assistance by the foreign trade service to one concern was instrumental in the obtaining of a small contract from Turkey. No other reports have yet been received on contracts concluded.

3. A contract for some part of the national coal board's requirements is expected.

HOUSE OF COMMONS

Wednesday, November 20, 1957

The house met at 2.30 p.m.

STARRED QUESTIONS

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 reply to starred question No. 18, the formal opening of the building will take place next spring, by which time additional paving, landscaping and fencing work will have been completed. As the hon. member for Essex East (Mr. Martin) knows, the building is now in partial use.

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, the answer to part one of this question is yes.

The answer to part two is that this service is extended during the summer months to Sandusky, Ohio.

The answer to part three is yes, such services being as follows: Vancouver and northern ports of British Columbia and Queen Charlotte islands; Baddeck and Iona, Nova Scotia; Grand Manan and the mainland, New Brunswick; Halifax, Canso and Guysboro, Nova Scotia; Halifax, Torbay, Ile Madame and ports on west coast of Cape Breton island, Nova Scotia; Ile-aux-Coudres and Les Eboulements, Quebec; Ile-aux-Grues and Montmagny, Quebec; Mulgrave and Canso, Nova Scotia; Mulgrave, Queensport and Ile Madame, Nova Scotia; Murray Bay and north shore of the St. Lawrence river, Quebec; Owen Sound and ports on Manitoulin island and Georgian bay, Ontario; Pictou, Mulgrave and Cheticamp, Nova Scotia; Quebec, Natashquan and Harrington, Quebec; Quebec or Montreal, Gaspe and Magdalen islands, Quebec; Rimouski, Matane and points on the north shore of the St. Lawrence river, Quebec; Riviere-du-Loup and St. Simeon and/or Tadoussac, Quebec; Sydney and Bay St. Lawrence, Nova Scotia; Newfoundland coastal steamship services.

The answer to part four is no, although this matter has been considered from time to time, and I might say that the hon. member for St. John's East has several times brought the matter to the attention of the department.

Mr. Pickersgill: By the previous hon. member.

Mr. MacDonald (Antigonish-Guysborough): With regard to part five, there is no such reason; each application for subsidy is dealt with on its own merits.

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?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the answer is as follows: (a) Under the provisions of an agreement dated May 30, 1957 between Northern Ontario Pipe Line Crown Corporation and Trans-Canada Pipe Lines Limited, Trans-Canada shall make available such information and advice as the corporation requires in the placing of contracts for the construction and the purchase of materials and equipment. The approval of all such contracts rests with and shall be in the name of the corporation. It is a provision of the bylaws of Northern Ontario Pipe Line Crown Corporation that unless the approval of the treasury board is first obtained, the corporation shall not enter into a contract involving any expenditure in excess of $50,000.

(b) Under the provisions of an agreement dated May 30, 1957, between Northern Ontario Pipe Line Crown Corporation and Trans-Canada Pipe Lines Limited, Trans-Canada is responsible for the direct field supervision of construction subject to the over-all supervision of Defence Construction (1951) Limited on behalf of the corporation.

Questions

T.C.A., WINNIPEG—STAFF REDUCTIONS AND TRANSFERS

Question No. 23—**Mr. Stewart (Winnipeg North):**

1. Will there be any reduction of T.C.A. staff in Winnipeg as the result of impending transfers?
2. Have any employees agreed to move to Montreal? If so, how many?
3. What will be the situation of employees who, due to family commitments, find that they cannot transfer to Montreal?
4. How many individuals were in the employ of T.C.A. in Winnipeg on June 1, 1947, 1952 and 1957?
5. As the result of departments closing down or being removed, how many employees have been moved to Montreal in the last 10 years?
6. Have any employees lost their jobs as the result of their being unwilling to change their place of residence? If so, how many?

Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport: Mr. Speaker, the management of Trans-Canada Air Lines advises that in regard to part 1—

Mr. Hahn: Mr. Speaker, on a question of privilege, would the hon. gentleman speak into the microphone so we can all have the advantage of hearing what he is saying.

Mr. MacDonald (Antigonish-Guysborough): The management of Trans-Canada Air Lines advises that, in regard to parts 1, 2 and 3 of the question, the answer is that there are no transfers impending. As to part 4 the answer is 1,422 on June 1, 1947, 1,500 on June 1, 1952 and 1,881 on June 1, 1957. The answer to part 5 is 226, and as to part 6 the answer is yes, 14.

COMPANIES ACT—DEFAULT IN FILING RETURNS

Question No. 25—**Mr. Fisher:**

1. How many penalties for default in filing returns have there been under section 125 of the Companies Act in 1955, 1956, and to date in 1957, for (a) public companies; (b) private companies?
2. How many private companies are in default at the present time for 1956 returns?
3. What officer of the crown initiates action under subsection 4, section 125 of the Companies Act?
4. How many certificates were issued in 1956 under subsection 7, section 125 of the Companies Act?

Hon. Ellen L. Fairclough (Secretary of State): Mr. Speaker, I have a reply to this question. It is rather lengthy and incorporated in it is one small statistical table. I wonder whether the hon. member would agree to this being made an order for return.

Mr. Knowles (Winnipeg North Centre): Could it not be placed on *Hansard*?

Mr. Speaker: Is it the pleasure of the house that the answer be put on *Hansard* rather than being read?

[Mr. Churchill.]

Some hon. Members: Agreed.

[*For answer to question referred to above, see appendix "A", page 1356.*]

ARCTIC OCEAN—CANADIAN SOVEREIGNTY

Question No. 26—**Mr. Lesage:**

Are the waters of the Arctic ocean north of the Arctic archipelago up to the north pole, in the so-called Canadian sector, Canadian waters?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I would ask that this question stand until the return of the Minister of Northern Affairs and National Resources.

Mr. Speaker: Stand.

TRANS-POLAR LANDING PRIVILEGES, EDMONTON

Question No. 27—**Mr. Broome:**

1. Has the Minister of Transport received a request from Canadian Pacific Airlines for landing privileges at Edmonton for their Vancouver-Amsterdam trans-polar flight, so that passengers originating in Edmonton do not have to travel to Vancouver or Yellowknife to make connections with this flight?
2. If such a request has been received what action has been taken?
3. Has the minister received a request from Canadian Pacific Airlines requesting the department to negotiate landing rights at London for their Vancouver-Amsterdam trans-polar flight so that they may meet Pan American competition which now flies non-stop from Seattle to London via the polar route?
4. If such a request has been received what action is contemplated by the department?

Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport: The answer to parts 1 and 2 is that an application has been received from Canadian Pacific Airlines for authority to add Edmonton to their present Vancouver-Amsterdam air service. This application is presently receiving consideration and will be dealt with in the context of the general review of aviation policy which the Minister of Transport is presently undertaking, and on which he hopes to make a statement shortly.

As to parts 3 and 4, the answer is no.

DEFENCE ESTABLISHMENT TRESPASS REGULATIONS—PASSES

Question No. 28—**Mr. Barnett:**

1. Under authority of the defence establishment trespass regulations are passes issued to trade union business agents representing: (a) any civilian employees of the Department of National Defence; (b) employees of contractors doing work within the boundaries of defence establishments?
2. If so, are passes issued in conformity with a general policy of the department, or is the matter entirely within the discretion of individual commanding officers?
3. If not, what are the reasons that such passes are not granted?
4. Are any special terms or conditions attached to passes issued to union representatives?

5. Under section 24 of the regulations, are official trade union notices or statements permitted to be posted?

Hon. G. R. Pearkes (Minister of National Defence): The answer to part 1 of this question is: (a) yes; (b) yes.

The answer to part 2 is that the issuance of passes is a matter entirely within the discretion of individual officers in command or persons in charge of defence establishments.

In answer to part 3, I would refer to the answer given to part 1 of this question.

The answer to part 4 is that this is a matter for the issuing authority.

In so far as part 5 is concerned, regulation 24 by its terms requires the permission of the officer in command or person in charge of a defence establishment before any notices or statements may be posted in a defence establishment and, like the issuance of passes, is within the discretion of that official.

UNEMPLOYMENT, QUEBEC AND MONTMAGNY

Question No. 29—**Mr. Lesage:**

1. How many unemployed were registered in (a) Canada; (b) the province of Quebec; (c) the area served by the Montmagny office of the unemployment insurance commission, on or about November 1, 1957?

2. How many unemployed were registered in (a) Canada; (b) the province of Quebec; (c) the area served by the Montmagny office of the unemployment insurance commission, on or about November 1, 1956?

Hon. Michael Starr (Minister of Labour): In answer to the question asked I may say that as at September 19, 1957, the latest date for which data have been published, the numbers of persons registered for employment at local offices of the unemployment insurance commission were as follows:

(a) in Canada	255,896
(b) in the province of Quebec ..	69,227
(c) in the area served by the Montmagny local office	969

In answer to question No. 2, the figures for the corresponding date, September 20, 1956, were as follows:

(a) in Canada	158,804
(b) in the province of Quebec	43,653
(c) in the area served by the Montmagny local office ..	804

CENTRAL MORTGAGE AND HOUSING—LOANS, N.B.

Question No. 30—**Mr. Robichaud:**

1. What was the total amount loaned by Central Mortgage and Housing Corporation in the provinces of New Brunswick and Nova Scotia, for the year ending March 31, 1957?

2. What was the total amount loaned from April 1, 1957 to date?

3. What was the average amount of each loan and number of units involved for the year ending March 31, 1957, as compared with the period April 1, 1957 to date?

Hon. Howard C. Green (Minister of Public Works): The answer to this question by the hon. member for Gloucester contains many figures, and perhaps he would be satisfied if we placed the answer on *Hansard*.

Mr. Robichaud: Agreed.

Mr. Speaker: Is the house agreeable to this answer being placed on *Hansard*.

Some hon. Members: Agreed.

[*For answer to question referred to above, see appendix "B", page 1356.*]

TRANS-CANADA PIPE LINE—EXPLOSION IN SASKATCHEWAN

Question No. 31—**Mr. Lewry:**

1. At what time and by whom was an inspection made on the trans-Canada pipe line following the explosion near Mortlach, west of Moose Jaw, Saskatchewan, on Sunday, November 3, 1957?

2. What pressure specifications are called for on this natural gas line pipe?

Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport: The answer to the first part of the question is as follows. The board of transport commissioners for Canada advises in answer to part one that an inspection was made on November 6 and 7 by its district engineers.

As to part 2 the board advises that this section of the pipe line is designed for an operation pressure of 826 pounds per square inch.

NATIONAL EMPLOYMENT SERVICE—DIRECTIVES

Question No. 35—**Mr. Knowles (Winnipeg North Centre):**

1. Has the Minister of Labour, at any time since July 1, 1957, issued any directive or directives to the managers of the national employment service with reference to the finding of employment for unemployed workers?

2. If so, what were the terms of such directive or directives?

3. Has the staff of the national employment service been increased since the issue of any such directive or directives? If so, how many additions were made, and at what offices were such additions made?

Hon. Michael Starr (Minister of Labour): The answer to parts 1 and 2 is as follows: Upon the request of the Minister of Labour the unemployment insurance commission issued a directive under date of September 20, 1957, to the managers of all local national employment service offices emphasizing the importance which the minister placed upon the job-finding activities of the local employment service offices and giving directions

for increased activities by local employment service officers to this end. A copy of this circular is available to the hon. member and I will see that he is supplied with same.

The answer to part 3 is as follows: No additions have been made to the continuing establishment. There has been an increase in the number of casual employees, which is usual at this season of the year.

GOVERNMENT PROGRAMS FOR UNEMPLOYMENT RELIEF

Question No. 36—**Mr. Knowles (Winnipeg North Centre):**

1. Has the government any specific program to relieve unemployment this winter? If so, what is that program?
2. Has the winter employment committee in Ottawa any executive powers to pursue an employment program on behalf of the government?
3. What are the terms of reference of this committee and how does it operate?
4. Are any cabinet ministers members of the committee? If so, which ones?

Hon. Michael Starr (Minister of Labour): The answer to part 1 is as follows. There is a specific program the object of which is to increase winter employment so as to alleviate the normal seasonal slump in Canada. The program, known as the winter employment campaign or program, aims at providing an industrial and occupational climate favourable to the planning and execution of projects in the wintertime where possible.

The program, which is being jointly administered by the Department of Labour and the national employment service, enlists the services of national and local organizations, municipal groups and all available publicity media to make employers winter employment conscious. It enlists the support of federal government departments in undertaking new construction, maintenance, repairs and renovations in winter as well as procurement of supplies, where at all practicable. It sponsors a nation-wide information and publicity program.

Through winter employment committees across Canada, working closely with local employment offices, the program is co-ordinated on a nation-wide basis. Successful prosecution of the program is made possible through co-operation by the Canadian Manufacturers' Association, the Canadian Chamber of Commerce, the Canadian Labour Congress, the Canadian Construction Association, the Canadian Retail Federation, the Canadian Bankers' Association, the Canadian and Catholic Confederation of Labour and a number of other public-spirited groups who have lent their willing assistance. Provincial and municipal governments are also co-operating splendidly in scheduling projects in wintertime.

[Mr. Starr.]

The answer to part 2 is as follows. The interdepartmental committee on winter employment is made up of representatives of a number of departments. Its special interest is in scheduling, where possible and practicable, federal works in wintertime. Its powers are purely advisory.

The answer to part 3 is as follows. This is a committee established to advise cabinet on federal government participation on a departmental level in the winter employment program.

The committee endeavours to obtain information on projects which might suitably be carried on in winter and makes recommendations accordingly. It also attempts to co-ordinate these various efforts on an interdepartmental basis.

The answer to question 4 is no.

FEDERAL LOANS FOR POWER DEVELOPMENT

Question No. 37—**Mr. Pickersgill:**

1. Are loans based on the principle applied to the Beechwood project to be available only for projects in the Atlantic provinces?
2. If not, will all provinces qualify?
3. Are such loans available only for projects owned by provincial governments or provincial crown agencies or will they be available to private power companies sponsored by a provincial government?
4. Are such loans available only for new or uncompleted projects or will they be available for refunding obligations of established power projects in the Atlantic provinces?

Mr. Speaker: Stand?

Hon. J. W. Pickersgill (Bonavista-Twillingate): On a question of privilege, sir; this is the last opportunity the house will have to receive an answer on this question before the federal-provincial conference, and surely parliament is first entitled to be told the answer to this question.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, this is not the last opportunity; there are several more days, and the answer will be given at any time on orders of the day.

Mr. Pickersgill: Have we no rights?

QUESTIONS PASSED AS ORDERS FOR RETURNS

NORTHERN AFFAIRS AND NATIONAL RESOURCES—ALLOTMENT TRANSFERS

Question No. 97—**Mr. Lesage:**

1. Have any transfers of allotments been authorized by treasury board since June 22 in the estimates, supplementary estimates and further supplementary estimates of the Department of Northern Affairs and National Resources?
2. If so, how many, and in each case (a) what was the amount transferred; (b) from what heading or project was each transfer made; (c) to what heading or project was each transfer made; (d) what was the reason for the transfer?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I should like to have question No. 97 put by the hon. member for Montmagny-L'Islet (Mr. Lesage) made an order for return subject to the agreement between himself and the Minister of Northern Affairs and National Resources (Mr. Hamilton) as to the items to be included. I herewith table the return.

CANAL AND RIVER ROUTE TO NEW YORK

Question No. 22—**Mr. Chevrier:**

1. Did the international joint commission make a report upon the economics of a route from the St. Lawrence to New York via the Richelieu and lake Champlain?

2. If so, when?

3. What were the recommendations?

4. What were the estimates of costs?

5. Have they been reviewed since 1938?

6. What are the depths of water from the Richelieu river to New York via the Chambly canal, lake Champlain and the Hudson river?

7. How many bridges are there over the route?

8. What is the saving in distance between Montreal and New York via this route?

9. Is the Richelieu the only route that can be followed? What are the alternatives?

10. When the seaway is completed, how many canallers will be made available for use elsewhere?

11. Has any thought been given to using this fleet of ships on a deepened Richelieu-Champlain route?

EXTERNAL AFFAIRS—EMPLOYMENT OF UNIVERSITY GRADUATES

Question No. 32—**Mr. Fisher:**

1. By year, how many university graduates have been taken into the Department of External Affairs following competitive examinations since 1948?

2. What is the breakdown by year for each Canadian university with regard to successful and unsuccessful candidates, such information to be based on bachelor's degrees, not graduate degrees?

3. What is the breakdown of the total in terms of type of degree for these years (e.g. history, economics, political science, pass, etc.)?

4. How many of those accepted by the department since 1948 could be defined as French Canadian?

5. How many of those accepted by the department since 1948 have since left the service of this department?

DIPLOMATIC REPRESENTATIVES

Question No. 40—**Mr. McGregor:**

1. In what countries does Canada maintain diplomatic representatives?

2. With respect to each country what is (a) the name, salary and expense allowance of each ambassador or other senior representative; (b) the capital cost of Canadian diplomatic offices; (c) the annual rent where Canada does not own its office building; (d) the annual operating cost of diplomatic representation, (i) for salaries; (ii) other costs; (e) the number of employees in each case?

HUNGARIAN REFUGEES

Question No. 118—**Mr. Castleden:**

1. How many Hungarian refugees were admitted to Canada following the revolution in that country, until March 31, 1957 (a) direct from Austria or France; (b) from Great Britain?

2. For how many of such persons, if any, were the medical regulations regarding entry in Canada, waived?

3. How many of such persons are in hospitals or sanatoria as of October 31, 1957, at the expense of the federal government?

4. What has been the total cost to the treasury of Canada for these refugees, for (a) medical and hospital care; (b) maintenance; (c) transportation within Canada since their arrival?

5. How many of these persons were given medical examination after arrival in Canada?

6. For how many of these persons has return passage been paid by the federal government as of October 1, 1957?

WHITE BEAR RESERVE, CARLYLE, SASK.

Question No. 135—**Mr. McCullough:**

1. How many Indians are presently resident on the White Bear reserve, Carlyle, Saskatchewan?

2. How many of these are Cree?

3. How many of these are Assiniboine?

4. What has been the revenue return for each year since 1948, in connection with mineral leases, oil royalties, fishing licences or other licences on White Bear reserve?

5. What other additional revenues have there been each year since 1948?

6. What has been the disposition of revenues each year since 1948?

7. What was the amount in the White Bear band fund in 1956?

8. How are disbursements made from the band fund and on what basis?

9. What was the cost of the construction of the dispensary and nurses' residence on White Bear reserve?

10. What has been the value of machinery and livestock made to White Bear Indians each year since 1950?

11. What did this machinery consist of, and what did the livestock consist of?

12. (a) How many full blooded Indians have held administrative jobs under the Indian affairs branch since 1948? (b) What was the nature of their employment?

13. What was the total value of food rations provided to Indians on the White Bear reserve for each year since 1948?

14. How many houses have been built on the White Bear reserve since 1948?

15. How many years is it since the fence surrounding the reserve was constructed?

HALIFAX SHIPYARDS

Question No. 148—**Mr. Morris:**

1. Did the Halifax shipyards provide goods and services to the federal government during the fiscal years ended March 31, 1955, 1956 and 1957? If so, in what dollar amount each year?

2. Did the Halifax shipyards provide goods and services to the federal government during the period April 1, 1957 to October 31, 1957? If so, in what dollar amount?

3. Were any federal government orders for goods and services from the Halifax shipyards outstanding on November 1, 1957? If so, in what dollar amount?

Motions for Papers

FAIREY AVIATION COMPANY, N.S.

Question No. 149—**Mr. Morris:**

1. Did the Fairey Aviation Company of Canada Limited, Eastern Passage, Nova Scotia, provide goods and services to the federal government during the fiscal years ending March 31, 1955, 1956 and 1957? If so, in what dollar amount each year?
2. Did the Fairey Aviation Company of Canada Limited, Eastern Passage, Nova Scotia, provide goods and services to the federal government during the period April 1, 1957 to October 31, 1957? If so, in what dollar amount?
3. Were any federal government orders for goods and services from Fairey Aviation Company of Canada Limited, Eastern Passage, Nova Scotia, outstanding on November 1, 1957? If so, in what dollar amount?

LEGAL SERVICE, EDMONTON

Question No. 172—**Mr. Holowach:**

1. What lawyers or law firms, if any, in the city of Edmonton, Alberta, were engaged or retained by the federal government or any branch thereof, during the period from January 2, 1956 to June 10, 1957?
2. What sums were paid by the federal government and all departments thereof to each such lawyer and law firm?
3. What amounts, if any, are still owing or being claimed for services and to whom?
4. Do any contracts exist with any law firm respecting legal services, if so, with whom?
5. By what consideration or procedure have these law firms been engaged?

AUTOMOBILES AND TRUCKS—FEDERAL PURCHASES, ALTA.

Question No. 184—**Mr. Hansell:**

1. Have any automobiles and trucks been purchased by the government during each of the years 1956 and 1957 from agencies in Coleman, Blairmore, Bellevue, Pincher Creek, Macleod? If so, how many?
2. From whom was each vehicle purchased and for what price?
3. Were these purchases called for by public tender? If so, in what way were the tenders advertised?

FEDERAL ELECTION EXPENSE RETURNS, 1957

Question No. 204—**Mr. Knowles (Winnipeg North Centre):**

1. Was a return of election expenses on behalf of every candidate who was elected to the House of Commons on June 10, 1957, filed prior to the opening of parliament on October 14, 1957?
2. If not, what are the names of any elected members on whose behalf such returns of election expenses had not been filed by October 14, 1957?
3. Have such returns been filed since October 14, 1957, on behalf of any elected members? If so, what are the names of such members and on what dates were such returns filed?

MOTIONS FOR PAPERS

MAIL CONTRACTORS' POLITICAL ACTIVITIES —DIRECTIVES

Motion No. 25—**Mr. St. Laurent (Temiscouata):**

For a copy of transportation orders and/or letters sent by district directors of postal services, relating to political activities by mail contractors, for all the postal districts, except Ottawa.

[Mr. Morris.]

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.

OGDENSBURG-PRESCOTT INTERNATIONAL BRIDGE

Motion No. 32—**Mr. Knowles (Winnipeg North Centre):**

For a copy of all agreements and correspondence exchanged between Canada and the state of New York, from January 1, 1955 to date, in connection with the building, operating and maintenance of the Ogdensburg-Prescott international bridge.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there is, strictly speaking, no correspondence or exchange of agreements between Canada and the state of New York from January 1, 1955 to date on the subject of the building, operating and maintenance of the Ogdensburg-Prescott international bridge. However, there exists a financial agreement relating to the Ogdensburg bridge between the United States bridge authority, the Canadian bridge authority and the state of New York. This financial agreement was submitted to the governor general in council and received approval on March 14, 1957. I shall be glad to table a copy of this financial agreement and the order in council if the hon. member so desires.

Mr. Knowles (Winnipeg North Centre): That will be satisfactory.

Mr. Speaker: Is it the pleasure of the house to adopt the motion with the explanation and statement of the Prime Minister?

Some hon. Members: Agreed.

Motion agreed to.

CANADIAN NATIONAL STEAMSHIPS

REQUEST FOR RENEWED NEGOTIATIONS ON WAGES AND WORKING CONDITIONS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the reported offer of assistance to the minister by the president of the Canadian Labour Congress in the matter of the dispute between the Canadian National Steamships and the seafarers international union, will the government press for renewed negotiations on the wage and working conditions of the merchant seamen involved with a view to settling the dispute and returning the ships to Canadian registry?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I received a telegram from Mr. Jodoin, as the hon. member has intimated, and I replied to him as follows:

Thank you for your telegram which I received this morning. I have noted carefully the views which you have expressed. As the wage dispute is between the seafarers international union and the Canadian National (West Indies) Steamships Limited I believe it would be desirable if your offer to use your influence with the seafarers international union to try to bring about a settlement on an equitable basis were submitted direct to the parties to the dispute. I will however inform the company of the offer which you have made.

REPORTED INADEQUACY OF CREWS ON SHIPS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Minister of Transport a question. According to a Canadian Press report of this morning it is said that the ships of the Canadian National Steamships have left the harbour of Montreal without adequate crews in accordance with the regulations of the Canada Shipping Act. If the minister finds that this is the case will he apply against the crown corporation the penalty section of the Canada Shipping Act?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I am advised by the management of Canadian National Steamships Limited that the crews which man the ships at the present time are quite adequate for the task which they have to perform, but if I find to the contrary I will certainly look into the matter. As I say, I will do this only if I find to the contrary.

INSTRUCTIONS TURNING BACK AIRCRAFT BRINGING WEST INDIES CREWS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I add another question to the many which the Minister of Transport has been asked today.

Mr. Churchill: And which he has answered so well.

Mr. Chevrier: I remember having many busy days when I was over there but none similar to this one. I gave the minister notice of this question. Did the minister or anyone acting on his behalf issue instructions to Canadian National Steamships which resulted in the turning back of the aircraft carrying West Indian crews to Canada?

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 am sorry to disappoint my hon. friend, but the answer is no.

Mr. Chevrier: It is not a disappointment. It is a confirmation.

DESTINATION OF VESSELS WHERE CREWS WILL BE TRANSFERRED

On the orders of the day:

Mr. C. E. Johnston (Bow River): May I direct a question to the Minister of Transport. What is the destination of the Canadian National Steamships vessels where the transfer will be made from Canadian to foreign crews?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I am not aware of any plans at the moment of Canadian National Steamships to transfer any crews.

Mr. Johnston (Bow River): On a point of order, Mr. Speaker, I cannot hear the minister.

Mr. Hees: I said that I am not aware of any plans on the part of Canadian National Steamships to transfer any crews, and I am advised by the company that the destination at the present time is Halifax.

FINANCE

BANK OF CANADA—ALLEGED RELAXATION OF MONETARY RESTRICTIONS

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, I should like to direct a question to the Minister of Finance, based on a C.B.C. news story this morning in which a speech given by the Minister of Justice (Mr. Fulton) in Vancouver was wrongly attributed to the Minister of Finance. What are the definite steps which have been taken by the Conservative government, according to the Minister of Justice, to relax the monetary restrictions of the Bank of Canada?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I have not seen any report of the speech wrongly attributed to me which my hon. friend says was made last night by the Minister of Justice, and I think it is hardly fair to expect me to answer to something which was in the mind of my colleague, if he made such a statement.

Mr. Sinclair: A supplementary question, Mr. Speaker. The presumption is that the Minister of Justice was speaking as a member of the government when he said the Conservative government was relaxing the monetary restrictions, and I thought the natural person from whom to inquire about what these steps were would be the Minister of Finance.

Mr. Herridge: Mr. Speaker, I would like to direct a question to the Prime Minister—

Mr. Sinclair: Mr. Speaker, I am still asking what are these steps taken to relax monetary restrictions about which the Minister of Justice spoke in Vancouver, saying it was the Conservative government which had done this?

Mr. Speaker: Order. I understand that question has already been addressed to the minister and he has given an answer.

Some hon. Members: Oh, no.

INQUIRY AS TO REBATE IF EXCISE TAX ON AUTOMOBILES CHANGED

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Minister of Finance if as a means of stimulating sales and relieving unemployment which exists in certain automobile centres like the city of Windsor he could give any assurance that automobile dealers will receive a rebate on excise taxes when and if the excise tax is lowered or eliminated—

Mr. Sinclair: In accordance with Conservative election promises.

Mr. Martin (Essex East): —in accordance with the practice established by the previous minister of finance?

Mrs. Fairclough: Oh, no.

Some hon. Members: No, no.

Mr. Sinclair: No lecture; just an answer.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, my hon. friend of course completely spoiled his question by the rider he added at the end.

Mr. Sinclair: No lecture; just give an answer.

Mr. Fleming: What I would like to point out is that the fears that he apparently alludes to are based upon the actual experience that a great many motor car dealers in this country had under the former government, when that government 2½ years ago proposed a reduction from 15 to 10 per cent in that special excise tax on automobiles.

Mr. Pickersgill: Is this the budget speech?

Mr. Fleming: It will be remembered that at that time the government left the whole burden of the taxes that had been paid to rest upon the dealers. It will be recalled that following this—

Some hon. Members: Answer.

Mr. Martin (Essex East): Mr. Speaker, I rise on a point of order.

Mr. Chevrier: Deal with the question.

[Mr. Herridge.]

Mr. Martin (Essex East): It is clearly not within the rules of this house, Mr. Speaker, for a minister in answer to a question—

Mr. Knowles (Winnipeg North Centre): To make a budget speech.

Mr. Martin (Essex East): —to deal with matters that have nothing to do with the question or that constitute a budget speech. Now, I ask the Minister of Finance in view of the serious unemployment situation in the city of Windsor—

Some hon. Members: Sit down.

Mr. Fraser: What about the speech you are making?

Mr. Martin (Essex East): —whether or not this request made to him by others can or cannot be met by him. If it cannot, all he has to do is say no.

An hon. Member: When did you stop beating your wife.

Mr. Fleming: Mr. Speaker, I am interested in the way my hon. friend has revised his question.

Mr. Speaker: Order. I take it that the minister is now speaking to the point of order which has been raised.

Mr. Sinclair: He is just speaking.

Mr. Speaker: Does the hon. minister wish to speak to the point of order which has been raised?

Mr. Fleming: I thought my hon. friend had attempted to ask a second question. I wish now to go on with my answer to the first question, which I had not completed.

Mr. Coldwell: Mr. Speaker, may I ask a supplementary question.

Mr. Speaker: I think the point of order was complicated by a further question, and perhaps the minister might deal with it.

Mr. Coldwell: Mr. Speaker, may I ask a supplementary question.

Mr. Fleming: I have not completely dealt with the first question yet.

Mr. Speaker: Order. We must give the minister a fair opportunity to answer the last question asked by the hon. member for Essex East.

Mr. Fleming: Mr. Speaker, I had not completed my answer to the first question.

Mr. Chevrier: You were making a speech.

Mr. Fleming: I pointed out, Mr. Speaker, that the dealers had been left to bear the burden of the tax that had been paid.

Mr. Martin (Essex East): That is not true.

Mr. Fleming: Now, following the protests of the opposition of those days over that unfair treatment of the dealers—

Mr. Martin (Essex East): Answer the question.

Mr. Fleming: —the act was amended, and the act as amended permits—

Mr. Sinclair: Who amended it; the opposition?

Mr. Fleming: —the sale of cars on consignment in such a way that if there should be any change in the tax there is no burden then left on the dealer. One would hope that in such a situation those who are interested in what may be done in regard to this subject would take advantage of those provisions of the act and make the purchases on consignment.

I can tell my hon. friend that so far as unemployment is concerned this is a matter of very lively concern to those who are responsible for any of these matters. If it became the intention of the government and were announced in due course that any change should be proposed to the house, naturally all aspects of the matter would be taken into consideration. There have been many representations on this subject. I could indicate to my hon. friend why in the light of past experience the dealers are so concerned.

Mr. Martin (Essex East): Bring in your budget soon.

ARTS, LETTERS AND SCIENCES

CONFERENCE ON EDUCATION—SENDING OF OBSERVERS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in view of the Prime Minister's interest in education in general and in particular, including lectures to the opposition, I would like to ask him this question. In view of the great importance of the Canadian conference on education to be held in Ottawa on February 17 to 20 in 1958, will the Canadian government send observers to this great and unique national conference and will observers from the Canada Council also attend?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there has been no decision made regarding the presence of observers. I agree with my hon. friend that this is a most important conference. As to the question as to whether or not there should be representatives from the Canada Council that, of course, would be determined by that council.

TRADE

UNITED KINGDOM—REPRESENTATIVE OF WESTERN POOLS IN DELEGATION

On the orders of the day:

Mr. W. M. Johnson (Kindersley): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Has the minister given further consideration to the suggestion I made on Monday, November 11, that a representative of the western pools be included in the trade delegation to the United Kingdom? If so, could he report to the house if any changes or additions have been made in the personnel of this mission since it was announced by him on November 8?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, when I was in Regina attending the meeting of the Saskatchewan pool association last Friday, a gentleman—I think one of the vice-presidents of that organization—was asked to become a member of the mission and consented to do so.

TRANSPORT

FERRY "WILLIAM CARSON"—REQUESTED PROVISION OF PASSENGER ACCOMMODATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport with reference to the *William Carson,* which is now plying between North Sydney and Argentia. In view of the minister's statement that if the *William Carson* could carry automobiles and passengers, and if the Newfoundland board of trade could show that this could be done, it would be done, what is he now doing to see that this assurance is implemented?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the hon. member is usually reasonably accurate. I am afraid he is inaccurate in his statement today. When I was in St. John's some time ago I talked this matter over with the Newfoundland board of trade and they told me they were confident that automobiles could be loaded on the *William Carson.* I told them that if they could demonstrate that fact, then I would recommend to the management of the Canadian National Railways that cars be carried on that ferry.

I have since been in touch with the management of the Canadian National Railways and they tell me that although they believe cars could physically be loaded on the ferry, there are many other factors which in their

opinion make it very undesirable if not impossible to carry cars on the ferry at the present time.

Mr. Knowles (Winnipeg North Centre): May I ask a supplementary question, Mr. Speaker. Has the minister received any representation from the Newfoundland board of trade since that announcement was made by the management? If not, is he aware of the statement made by the board which was reported in a recent issue of the St. John's *Evening Telegram*?

Mr. Hees: Yes; I had quite a lengthy talk with the president of the Newfoundland board of trade either yesterday or the day before—I am not quite sure which it was—and I think he understands my point of view and I certainly understand his.

LASQUETI ISLAND—REPORTED CANCELLATION OF PASSENGER AND FREIGHT SERVICE

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, the Minister of Transport seems to be very popular today. I have a question for him also. I regret I did not find the opportunity to give him notice of it. If he wishes he may take this as notice. Has the minister received a telegram informing him that the only passenger and freight service to Lasqueti island, British Columbia, is cancelled, effective today, and asking him to provide for its resumption or for a suitable substitute service? If so, what action has he taken or will he take to deal with this situation?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I have not received such a telegram but I will make inquiries, look into the matter and see what can be done.

PRIVILEGE

MR. LESAGE—ANSWER TO STARRED QUESTION NO. 29

On the orders of the day:

Hon. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, I rise on a question of privilege. I could have done so earlier when answers were being given to starred questions, but I thought I should not interrupt proceedings at that time. My question of privilege has reference to the answer given by the Minister of Labour to starred question No. 29. The question reads as follows:

How many unemployed were registered in (a) Canada; (b) the province of Quebec; (c) the area served by the Montmagny office of the unemployment insurance commission, on or about November 1, 1957?

[Mr. Hees.]

The answer of the Minister of Labour contained the published figures of September 19. My question of privilege is this. Since it is well known that the unemployment insurance commission has these figures of registered unemployed throughout Canada every week, is not parliament, the House of Commons, entitled to those figures?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I posed these questions to the unemployment insurance commission and these are the figures I received as the latest figures available. If the hon. member is not satisfied with these figures, then I shall go back to the unemployment insurance commission and ask them if they can bring them up to date. These are the only figures they gave me in reply to the question.

Mr. Lesage: That is quite satisfactory. I am sure the unemployment insurance commission will supply the minister with much more recent figures.

HOUSE OF COMMONS

REQUEST THAT MEMBERS MAKE USE OF FIVE-PIN BOWLING LEAGUE

On the orders of the day:

Mr. Daniel McIvor (Fort William): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Since we have in this house, for the use of the members of the House of Commons and the stenographic staff, an active five-pin bowling league, would the minister not consider it in the best interests of the physical fitness and health of the members to make use of this exercise?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, if I may be permitted to answer the question I would say yes, indeed. I think the hon. member who asked the question is possibly the best living example in that regard.

Mr. McIvor: Thank you.

TRANS-CANADA AIR LINES—PASSES FOR MEMBERS

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 Transport. I regret that I was unable to give him notice. Since the disposition appears to be to give passes on Trans-Canada Air Lines to Jamaican seamen I wonder whether he would give more earnest consideration to his earlier suggestion that members of parliament living more than 500 miles from Ottawa should be given passes on the air line?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, as I explained the other day no passes have been given to anybody.

Mr. Pickersgill: Has the hon. gentleman not got a pass?

Mr. Hees: It was given to me; I did not give it.

Mr. Sinclair: And the Postmaster General?

Mr. Pickersgill: And the Postmaster General?

Mr. Hamilton (Notre Dame de Grace): I did not get it from the Minister of Transport.

Mr. Sinclair: We don't care who gives them so long as we get them.

LABOUR CONDITIONS

STRIKE OF RIVER PILOTS, KINGSTON MARINE DISTRICT

On the orders of the day:

Mr. O. F. Villeneuve (Glengarry-Prescott): Mr. Speaker, in view of recent rumours I should like to direct a question to the Minister of Transport. Have there been any new developments along the St. Lawrence river in regard to the pilots' strike?

Hon. George H. Hees (Minister of Transport): Mr. Speaker,—

Mr. Pickersgill: Don't blush.

Mr. Hees: —I wish to thank the hon. member for his courtesy in giving me notice of his intention to ask this question. I am glad to inform the house that the pilots of the Kingston-Montreal pilotage district have today returned to work. This decision was taken on their part on the basis of my assurance to them that we believed we could work out a satisfactory solution to their problems in the course of the coming months before the spring season of navigation opens.

UNEMPLOYMENT—INQUIRY AS TO GOVERNMENT WINTER PROGRAM

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour, arising out of his answer to one of my starred questions on today's order paper. I refer to the question which read:

> Has the government any specific program to relieve unemployment this winter? If so, what is that program?

In view of the fact that the minister told us the aims of that program, the nature of the publicity being given to it, the organizations who were sponsoring it and so on, will he tell us what the program is?

Hon. Michael Starr (Minister of Labour): I think I adequately explained the winter program. I have nothing more to add.

POSTAL SERVICE

SASKATOON-EDMONTON—EFFECT OF REMOVAL OF RAILWAY MAIL CARS

On the orders of the day:

Mr. Louis Lewry (Moose Jaw-Lake Centre): Mr. Speaker, I should like to direct a question to the Postmaster General, of which notice has been given. Can the minister say as to whether the removal of railway mail cars from the 300-mile run from Saskatoon to Edmonton will not result in poorer mail service to the citizens in that area; and does the minister intend to remove other railway mail cars in other sections of the country in an economy attempt, without regard to service?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, the action referred to was dictated because it was felt that the revised arrangement would result in an improved mail service, and it originated from complaints and information we received from that area that certain connections were not satisfactory.

To deal with the second and more general part of the question, I would say that the Post Office Department has never removed railway mail car service in an economy attempt without regard to service, and there certainly is not any intention of doing so in the future. Where railway mail cars have been removed and replaced by highway service it was for the purpose of improving the mail service, and in many cases because it was the only course of action to follow, the railways having removed the trains or changed them so that no adequate equipment was available. The economy factors which enter into this question are sizeable at times, but they are not the main consideration.

SHIPPING

C.G.S. "BAFFIN"—REQUEST FOR TABLING OF REPORT ON GROUNDING

On the orders of the day:

Mr. T. A. M. Kirk (Shelburne-Yarmouth-Clare): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the wide interest in the matter, will he table the report of the inquiry conducted by his department following the grounding of the C.G.S. *Baffin* on Black rock on July 4 last?

Inquiries of the Ministry

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I would like to thank the hon. member for his courtesy in giving me notice of his intention to ask this question.

No formal investigation or public inquiry under the Canada Shipping Act was held, although at the request of the Department of Mines and Technical Surveys a Department of Transport officer made a departmental investigation, the results of which were passed on to the Department of Mines and Technical Surveys. This was a purely departmental report of a nature which it has not been customary to release to the public.

Mr. Kirk: May I ask a supplementary question. In view of the answer just given, would the minister agree to institute a public inquiry in order to assure the people, particularly those who live on the seacoast, that lives are not being endangered and public property not being subjected to undue risk?

Mr. Hees: I will be glad to look into the matter, and if there appears to be a real need for a public inquiry certainly one will be held.

AIR TRANSPORT

CANADIAN PACIFIC AIRLINES—APPLICATION TO FLY MONTREAL-VANCOUVER ROUTE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct another question to the Minister of Transport. We know this is not his birthday we are celebrating because he told us last session when his birthday is. In view of the minister's insistence last week that the application by Canadian Pacific Airlines to fly the Montreal-Vancouver route was a matter for the air transport board to deal with and about which we should not ask for any government statement of policy, how does he explain the statement made by his parliamentary assistant today that the application of Canadian Pacific Airlines to land at Edmonton and take on and discharge passengers there is being considered by the minister as part of a government review of civil aviation policy?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, if those were the words used in answer to the question, the answer should have been that the matter is being considered by the air transport board.

Mr. Knowles (Winnipeg North Centre): May I ask the minister a supplementary question. If there is any change in aviation policy as envisaged in the statement of the parliamentary assistant, will that change of policy be brought to parliament before it is put into effect?

Mr. Hees: Yes, Mr. Speaker.

HARBOURS

WINDSOR, ONT.—REQUEST FOR ANNOUNCEMENT OF PERSONNEL OF NEW COMMISSION

On the orders of the day:

Mr. D. F. Brown (Essex West): May I direct a question to the Minister of Transport. Would the minister advise the house if the government has yet named the federal representatives to the Windsor harbour commission?

Hon. George H. Hees (Minister of Transport): I did not quite hear the hon. member.

Mr. Brown (Essex West): Has the government named the federal representatives to the Windsor harbour commission?

Mr. Hees: Yes, Mr. Speaker, and we have just recently received the nominee of the mayor of Windsor. As I said yesterday, we expect to move forward on the matter very rapidly now.

Mr. Brown (Essex West): Can the minister tell us who the federal representatives are to be?

Mr. Hees: I can tell the hon. member after we reach orders of the day. I will be very glad to do so then, but I do not have the names with me at the moment.

COMMONWEALTH RELATIONS

INDIA—REPORTED REQUEST FOR FINANCIAL ASSISTANCE

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Finance. In view of the very serious financial difficulties facing the government of India at this time and reports that India is seeking loans from the western nations, can the minister say whether India has asked Canada for assistance and what consideration has been given to any such request?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, to my knowledge no request has been made by the government of India to the government of Canada for any such loan.

Mr. Argue: Can the minister say whether the government of India has sought private assistance or private investment within Canada as she is reported to be doing within other nations?

Mr. Fleming: Not that I am aware of, Mr. Speaker. Last fall the Indian finance commissioner, when in Washington, was known to be carrying on discussions with officials of the international bank, and also with representatives of the United States treasury.

COMMUNICATIONS

POLICY RESPECTING GRANTING OF SUBSIDIES TO TELEPHONE COMPANIES

On the orders of the day:

Mr. Raoul Poulin (Beauce): Mr. Speaker, I have another question for the Minister of Transport. Has the Department of Transport discontinued its former policy of granting subsidies to certain telephone companies in order to help them improve their services?

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. It is my understanding that the former government had this whole matter under consideration, and the present government also has it under consideration.

INQUIRY FOR RETURN

HIGHWAY BRIDGE, CHATHAM-FERRY ROAD, N.B.

On the orders of the day:

Mr. G. R. McWilliam (Northumberland-Miramichi): May I direct a question to the Secretary of State. When can I expect an answer to my question No. 47, which was made an order for return on October 30?

Hon. Ellen L. Fairclough (Secretary of State): I will look into the matter and try to hurry it up.

DOMINION-PROVINCIAL CONFERENCE

NATIONAL CONSERVATION BOARD—INQUIRY AS TO PLACING ON AGENDA

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): I should like to direct a question to the Prime Minister. Have any representations been made to the Prime Minister by any provincial premier suggesting that the question of establishing a national conservation board be placed on the agenda of the forthcoming dominion-provincial conference?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I know of no such request. I could be in error, but I do not think I am. I have followed all requests and I speak from memory, but I know of no such request.

TRADE

FLOUR—CORRECTION OF EXPORT ADJUSTMENT PRICE

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I should like to correct an inaccuracy that I was guilty of yesterday in answering a question by the hon. member for Rosthern. I said that the adjustment price on wheat used for flour for export amounted to about 12 cents per bushel. Actually the adjustment price varies from 8 cents to 10 cents per bushel.

Mr. W. A. Tucker (Rosthern): Will the minister make available to the house the actual amount involved in this subsidy policy over the past year?

Mr. Churchill: I think, Mr. Speaker, that is a proper question for the order paper, because it involves statistical material.

POWER

NEW BRUNSWICK—STATEMENT ON STATUS OF BEECHWOOD DEVELOPMENT

On the orders of the day:

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, yesterday the hon. member for Welland asked the following question:

Is the Beechwood power project in New Brunswick nearly completed, and is any part of it operating?

This information is, of course, within the jurisdiction of the province of New Brunswick. However, I have communicated with their officials and I have received the following from the New Brunswick power commission, that the Beechwood project is over 90 per cent completed. The whole project should be finished in February, 1958.

In the past few days one unit has been on tests to see if it can meet all the specifications for acceptance. While the first unit is, of necessity, in the hands of the operating department of the commission because the power from the unit has to be fed into the commission's system, if it does not meet the specifications it will be handed back to the construction department. It is a fact that Beechwood power is being used in the commission's system, but it is also a fact that the first unit is on trial runs and has not been accepted yet.

POST OFFICE DEPARTMENT

STAMP ISSUE OF HER MAJESTY THE QUEEN AND PRINCE PHILIP

On the orders of the day:

Mr. Yvon L'Heureux (Chambly-Rouville): I should like to direct a question to the Postmaster General. It has to do with the issue

of the stamps showing a picture of Her Majesty the Queen and Prince Philip. How many stamps did this issue comprise?

Hon. W. M. Hamilton (Postmaster General): If I understood the hon. member correctly he asked how many stamps did this issue comprise?

Mr. L'Heureux: Yes.

Mr. Hamilton (Notre Dame de Grace): I think that is a very proper question for the order paper.

SEARCH AND RESCUE

INQUIRY AS TO LIFESAVING SERVICE ON ATLANTIC COAST

On the orders of the day:

Mr. A. W. Stuart (Charlotte): I should like to direct a question to either the Minister of Transport or the Minister of Public Works. In view of his sincere interest over a period of many years, would the minister say when we might expect the establishment of an improved lifesaving service or a coast guard service on the Atlantic coast?

Hon. George H. Hees (Minister of Transport): I answered a question by the hon. member for Burnaby-Richmond, I think it was, some time ago in regard to what Canada does in the field of lifesaving and the preservation of lives on our two coasts and the great lakes. I think if the hon. member will refer to my answer he will see what the government does at the present time. If he studies the answer I think he will agree that the service provided is adequate.

Mr. Stuart (Charlotte): The minister did not think so earlier.

Mr. Hees: In further answer to the hon. member for Charlotte, may I say that if upon looking up my answer to the hon. member for Burnaby-Richmond regarding what is the equivalent, in Canada, of the coast guard it is considered inadequate, I shall be glad to make a more detailed statement either on my estimates or before, if hon. members wish me to do so.

THE CANADIAN ECONOMY

ROYAL COMMISSION ON ENERGY—INQUIRY AS TO COMMENCEMENT OF SITTINGS

On the orders of the day:

Hon. George C. Marler (St. Antoine-Westmount): May I ask the Prime Minister whether or not it has yet been determined when the royal commission on energy is to hold its first meeting?

[Mr. L'Heureux.]

Right Hon. J. G. Diefenbaker (Prime Minister): I am unable to say at the moment, but as soon as I have any information in that regard I will communicate it to the house immediately.

Mr. Coldwell: Is the chairman of this commission in Canada or is he abroad and not available?

Mr. Diefenbaker: That I do not know, Mr. Speaker.

Mr. McIlraith: All the rest of the members do.

EXTERNAL AFFAIRS

UNITED NATIONS EMERGENCY FORCE—POSSIBLE WITHDRAWAL OF CANADIAN PERSONNEL

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): I should like to direct a question to the Prime Minister. In view of reports that one nation has withdrawn her troops from the United Nations emergency force, and another has announced the intention of doing the same, would the Prime Minister advise the house whether or not Canada is contemplating any similar action?

Right Hon. J. G. Diefenbaker (Prime Minister): The answer is no. In explanation I might point out that on September 23, when I spoke to the United Nations, I stated that Canada would be willing to continue its contribution to the United Nations emergency force as long as the United Nations considered it was necessary to do so. There has been no modification in our stand, and there has been no suggestion by the United Nations that there should be any alteration in our participation.

SUPPLY

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

DEPARTMENT OF THE SECRETARY OF STATE

406. Departmental administration, $264,655.

Mr. Richard (Ottawa East): Mr. Chairman, it is not unusual for a man to inquire into the budget of a woman at home, but I think you will agree it is a distinction for a member of parliament to be the first to speak on the estimates of the hon. lady who sits as a minister of the crown. I think all members of this house will join me in congratulating the minister on the presentation of her first estimates.

(*Translation*):

I congratulate you, Madam, upon your appointment as Secretary of State and hope

that you will put all your abilities as a hard-working and genial lady at the service of your department.

(*Text*):

The Department of the Secretary of State, Mr. Chairman, is not too well known to the public at large, but it is an important department dealing with a variety of matters of vital interest to the administration of our country. I do believe that more time should be devoted to the discussion of the estimates of this department, and that the members of this house should know more about the functions of its several branches. I am sure that during another session the minister will welcome a more detailed inquiry.

One of the functions of the Secretary of State is to report on the civil service commission. I am always happy to hear hon. members refer to the devotion, loyalty and standard of efficiency of our civil service. I thoroughly agree, and I believe this is at least one legacy whose transfer to the new government will stand them in good stead. What the civil service requires most, Mr. Chairman, is security and fair and honest treatment in matters of wages and promotion.

I have always said that we have the finest civil service in the world, but that we should also be the model employers. There are very important matters which confront the Secretary of State and the civil service commission, and I believe the time has come when the Civil Service Act should be revised to define and enlarge, if necessary, the powers of the commission; to establish its authority in certain matters relating to employee selection, salaries and promotion.

There has always been an open space between the treasury board and the civil service commission which allows for a great deal of ball-throwing and delay to the disadvantage of the civil service. In recent days we have heard rumours that a royal commission may be named to inquire into this matter. The minister might tell us if that subject has been discussed or whether it is the government's feeling that this is the proper course to follow. On the other hand, there has been talk that the commission itself is working on amendments to the Civil Service Act. Is it the intention to present any such amendments at this or future sessions? I am of the opinion that it would be much better if the government suggested its own revision of the Civil Service Act and gave the members of this house an opportunity to inquire into the matter. I do not think we should leave to others this task, which is essentially one belonging to the government and the House of Commons.

I might inquire also, Mr. Chairman, whether or not the minister has had any recent talks with the civil service associations in connection with collective bargaining and strike rights. There was much publicity about this some time ago. I believe that much has to be done to clarify the situation in the minds of civil servants and the public at large, but our first endeavour in any event must be to preserve for the civil servants of Canada conditions of employment which are the most favourable anywhere.

I should like to be brief, Mr. Chairman, and I do not want to deal with all the branches of the minister's department, but rather than stand up repeatedly I would direct inquiries to a few subjects at this time.

Has the minister received any of the reports of the royal commission on patents, trade-marks and copyrights? If the answer is in the affirmative, when were they received and when does she propose to table them? I do not need to ask the minister about whether the patent office will be moved this year to the experimental farm. I think it is a bad move initiated under the former government, but I had great hopes that the new administration would have seen eye to eye with me, the public and interested parties.

Finally, and to be brief, I would appreciate it if the minister would tell us whether all salary adjustments have been completed in the printing bureau. I am particularly interested in the case of the pressmen.

I think the minister will agree that I have been short. She may expect that on other occasions I will have something further to say. However, I wish to repeat what I said at the beginning, namely that this department is one which I hope will be given a little bit more publicity because extremely important branches of government fall under it.

(*Translation*):

Mr. Chairman, I feel that it is also one of the functions of the Secretary of State to see that bilingualism is maintained in the departments of the civil service. Of late years there has been quite an improvement in this respect, but the fact remains that, on many occasions, for all sorts of valid reasons, French-speaking Canadians have to complain about the way they are being dealt with. I hope that the hon. Secretary of State will recognize the justice and rights of bilingual representation in the civil service, and will take the necessary steps to improve the present situation.

(*Text*):

Mr. Knowles (Winnipeg North Centre): There is one question I should like to ask the Secretary of State with regard to her estimates in general. As she will recall, when the Minister of Finance tabled the estimates early in this session he indicated that the new

government did not necessarily stand by all the estimates printed in the blue book. His suggestion was that some of them would be modified or that in some cases all of the money would not be spent. Would she indicate at some stage whether that observation made by the Minister of Finance applies to any of the estimates of her department or to any of the other estimates for which she is responsible? Since I have made that reference to other estimates for which she is responsible, perhaps she might indicate whether she would welcome discussion by members on such items as the estimates of the chief electoral officer and of the printing bureau now or whether she would rather wait until her main estimates are disposed of.

Mrs. Fairclough: I thought it might be better to answer a number of questions at one time, but with reference to the last question put by the hon. member for Winnipeg North Centre may I say that I think it would be advisable to take them according to the divisions of the department rather than all at once, because the officials of the other departments will be here at that time.

Mr. Pickersgill: As a former incumbent of the office which the hon. lady now holds I should like to join with my colleague the hon. member for Ottawa East in wishing her well during the brief stay she will be making in the department. I say that because I feel that either the government will not be there very long or the hon. lady's merits will be recognized and she will be given heavier responsibilities more in accord with her abilities.

I rose to ask only one question. When the hon. lady answers the question asked by the hon. member for Winnipeg North Centre I wonder whether she would give us any example of waste and extravagance that the Minister of Finance has been able to find in her department.

The Chairman: Shall item 406 carry?

Mr. Argue: No, Mr. Chairman. If we are on the first item I want to associate myself with the remarks of the hon. member for Ottawa East in extending my sincere congratulations to the hon. member for having been the first lady in this country appointed to the cabinet. Knowing her as an opposition member and finding out what a genial person she is I am sure the opposition members of this house will get along with her just as cordially now that she is in a position of much greater responsibility.

I am wondering whether she can give us any further information—I think the question has already been asked—as to when the various reports of the royal commission on patents, trade-marks, copyrights and so on will be tabled and made available to the members. I know that the commission was set up in the summer of 1954, and that apparently the report it is to make on patents will be considerably delayed. Apparently they are just starting new hearings once again. I am wondering if there is some way in which the new administration can speed up the extremely important study which the royal commission is making in this field so that we may have the benefit of the recommendations of the royal commission to the end that the injustices in relation to patents may be corrected at an early date.

I believe that this is one of the most important studies that have been made in the country over the years. There has been a great deal of interest in the whole question of patents. There is a growing feeling that current patent law is not in the best interests of the nation, and that corporations are able, by way of patent registry, to prevent competition and to prevent developments and so in an extremely serious manner retard industrial growth, expansion and innovation in this country.

I might say that already in the past a number of eminent persons have appeared before the royal commission and some of them have been sponsored by two daily newspapers from Saskatchewan. I refer to the Regina *Leader-Post* and the Saskatoon *Star-Phoenix*. Both papers have taken a great interest in this field. I believe they have rendered an important public service. From my study of their submissions to the commission I express the hope that a substantial number of the propositions they have put forward may be in the report of the royal commission and its recommendations. Even more than I did a year ago when I made a statement on this subject, I believe there is no room for restrictive practices to prevent competition and to prevent industrial growth in this country.

Having regard to our development the matter is more serious today than it was even a year ago because we know that today we are losing the race with the soviet union in a great many industrial fields. We hear that statement from experts almost daily. Now that this new administration and this new parliament are declaring war on restrictive patents and restrictive practices that have grown up around the use of patents as a method of preventing competition, I hope that the new government may be able to get action in this field at a much quicker pace than was the former administration. I would ask the minister, if she will, to make a general comment on this particular subject

and problem and to say whether she can hold out the hope that at an early date the report will be received from the royal commission on the question of patents. I would also ask whether she can say that any particular study is being made in that field by the present government in the hope that the recommended action may be taken.

Mr. Irwin: Mr. Chairman, I am pleased to convey my congratulations to the hon. member on her elevation to the post she now occupies, particularly having regard to the fact that she is the first lady cabinet minister, on a dominion basis, in this country.

I have had the good fortune to obtain a list of the acts which the hon. lady has to administer. I might say that in looking at the list it does seem somewhat formidable and I know she is going to put in some long hours at night trying to catch up with the various matters which come under her jurisdiction.

I do not want to take up any time just now because we will probably soon have a few questions to ask with regard to specific items but, just as a matter of curiosity, because I am a new member here and probably also for the enlightenment of some of the other new members, I would like to know what is the union office for the protection of literary and artistic works? This is under vote 412. I do not know what is the function of this organization and would be very pleased to hear something about it. I am sure the other new members would join with me in this regard.

Mrs. Fairclough: Would the hon. member repeat his question. I did not catch his reference.

Mr. Irwin: I was asking with reference to the title of the organization under vote 412, the union office for the protection of literary and artistic works. I just wanted to know what was their peculiar function. I am asking this information for the benefit of myself and some of the other new members in this house. Later on we will probably get around to this subject and will ask some questions. I do not think, Mr. Chairman, I have anything further to say just now except that I hope we dispose of this matter easily and quickly.

Mr. Macdonald (Vancouver-Kingsway): I would like to appeal to the hon. minister, after congratulating her on her new position, with respect to a case which I think does involve a grave injustice. I believe the hon. lady's department covers the field of custodian of alien property. Under the Japanese peace treaty such property as may be seized under that treaty is retained by the custodian.

I am referring to a case which I do not think has anything to do with war reparations but does involve a point of great personal injustice. In British Columbia two Canadians of Japanese origin, Mr. and Mrs. Kubodera, lived and became Canadian citizens; the husband was naturalized. In 1924 as they had no children of their own they adopted a Japanese girl; she lived with them for 12 years. In 1936 she returned to Japan where she became a music teacher and where she still lives and teaches music.

Mr. and Mrs. Kubodero are now dead, but they expressed in their valid last will and testament a desire that their estate should pass to the girl who was considered at the time of their death to be their adopted daughter. That estate was not large; the amount presently involved is, I believe, $6,325 but under our treaty with Japan, article 14, Canada specified that it shall retain, seize and liquidate the assets of any Japanese national. Under that provision the government of Canada is holding, and perhaps has already disposed into consolidated revenue, this sum of $6,325, which in their last wishes these two people wanted to pass on to their adopted daughter.

Now I think it is reasonable to say that when the Japanese peace treaty was concluded nothing of this sort was contemplated; I do not think we wanted to seize a relatively small estate such as has been left to this girl as part of war reparations which we could not otherwise exact from Japan. She, of course, is a private individual and it can hardly be suggested that she was to blame for the war.

While we run into situations in wars of this modern age where we cannot collect reparations from a whole people, it does not seem reasonable that we should turn about, as in this case, and seize a very small estate and chalk it up as some gain we have made in the way of collecting reparations from Japan.

Therefore, I hope the minister will look into this matter and see whether, in the interests of good relations with Japan which is a very good customer of Canada and a very important nation in Asia, it is worth while to hold on to this small estate left to a girl now living in Japan.

Mr. Hahn: Mr. Chairman, I would like to associate myself with the remarks which have been made with respect to the hon. lady's elevation to the office she now holds. I would certainly be one of the first to congratulate her upon such a wonderful achievement and I am very much in agreement with the hon. member for Bonavista-Twillingate in that it is certain as time goes on, should the government be in office, I am very sure she will

probably receive a portfolio of greater significance than the one she holds at present. Not that this one is unimportant. I do feel it is a very important portfolio since it has control over the civil service commission which is an essential part of our society. I have always made it a practice to devote a certain amount of time to discussing these particular estimates. I intend to do so again today.

With respect to the expenditures hon. members, particularly those who were here during the last parliament, will recognize they seem to increase. I have particular reference to the items for paper work. Here I notice there is quite a steep increase with respect to publications of departmental reports and other material, to which I have no doubt we will come later, but we have an increase of from $472,000 to $658,000 which is better than one-half of the total increase which the department requires for the operation of the office of Secretary of State.

This figure is a most important one and I was just wondering, when I viewed the overall chart which indicated the comparison between last year's estimates and this year's estimates, why there should be such a marked difference in this particular field as compared with the others. I notice the other increase comes under civil service which accounts for approximately the balance of the change, a matter of $140,000 under civil service salaries and wages, making a total difference of about $320,000 or so in the actual estimates.

Now it does seem to me that this matter of the use of paper and stationery is a most important one in the operation of our governmental departments. I have frequently wondered, when I come on occasion to the House of Commons very early in the morning and find a heaping cartful of newspapers, exactly what does become of the paper. Is it used for some particular purpose? Does the government realize anything on the sale of it; is it consigned to an incinerator and burned or just what does become of the paper from this building alone, much less the Department of the Secretary of State? I would hope that the hon. lady in replying later would have something to say on this question and if the time permits and I should be in the house I will probably have more to say on the civil service and the operations of that part of the department. More particularly I would like information on this question having to do with paper.

Another question that has given me considerable concern is the Canada Elections Act and the part having to do with the operation of our elections. I will have certain recommendations and suggestions to make with respect to that at a later time, some of which might cost us a little more money but all of which I hope will result in a little more efficiency in getting our electoral lists more completely arranged so we do not have so many names that should be on the voters list omitted by mistake. However, I will reserve my remarks in that respect for a later time.

Mr. Herridge: Mr. Chairman, I simply rise to congratulate the minister on her appointment and to ask for some simple information. It seems such a short time ago that we were colleagues together behind the curtain on this side of the house—

Some hon. Members: Oh, oh.

Mr. Herridge: —and it has taken very few months for changes to have come about. I do sincerely congratulate the Secretary of State and trust she finds much happiness and achievement in her new position.

The question I wish to raise is this. We all know that if a celebration of the 50th or 60th wedding anniversary of a constituent is brought to the attention of the Prime Minister he is usually kind enough to recognize that occasion by sending a congratulatory telegram to the persons concerned. The former prime minister was always kind enough to send the member who brought to his notice these very important events a copy of any message that he might send, I presume in order that the member would know the matter had received attention. Would the Secretary of State when answering questions inform the house what is the procedure in these instances at the present time?

Mr. Cardin: Mr. Chairman, I would also like to extend my congratulations to the minister and I think I would not be far wrong if I were to say that she is the most gracious Secretary of State Canada has ever had.

The problem to which I would like to refer has to do with translations. Although I realize that the problem of translating government documents can be extremely difficult and we must expect there would be some delay in the translation of English documents into French, it has occurred to me there have been instances where the delay in translating publications has been rather lengthy. I am more particularly aware of the delays that have occurred in the Department of External Affairs where a delay of two or three months sometimes occurred before the French translation of English documents was available. I must say that while I was parliamentary assistant to the Secretary of State for External Affairs I did try to get an increase in the number of French translators in that department. I must also say I received a most

sympathetic hearing from the officials of the Department of the Secretary of State but I am not sure whether my efforts were rewarded in any way nor am I sure that there was an increase in the translators for that particular staff. The problem that exists in the Department of External Affairs I think also exists in other departments and I would urgently ask the minister if she would consider making a check on the delays that occur in the translation of government documents.

Mr. Leduc (Verdun): Mr. Chairman, I would like to pay tribute, as a gallant Frenchman should, to the first Canadian woman to achieve cabinet rank, the Secretary of State. There is no denying that Canadian women will be well represented in this gracious lady and for this the Prime Minister deserves commendation. It was Young who wrote, "He who wishes a woman ill must let her act as she pleases", but the Liberal members harbour no such ill feelings for the Secretary of State. She will therefore allow us to criticize such legislation and estimates as she might bring down. Like Sheridan, we in the Liberal party recognize that the wisdom of men depends on the cultivation of the spirit of women. Let the Conservative government take heed of this useful counsel.

May I recommend to the Secretary of State two things. The purpose of these recommendations will have for their effect the amendment of the Canada Elections Act, first so that it will compel all candidates to divulge the address of their real domicile. The second recommendation is to fix the fee of enumerators who should be paid according to the number of persons duly registered on their lists. Thank you, Mr. Chairman.

Mrs. Fairclough: Mr. Chairman, I shall try to answer at least some of the questions which have been put to me. First of all may I thank hon. members for their kindness and for their compliments which I truly appreciate. I hope that in the length of time I have already been in this house hon. members have come to realize that I am not averse to criticism at all. Indeed, I welcome it and I trust I will have the wisdom to take an objective view of whatever criticisms are levelled at my department.

Dealing now with the questions which were asked by the hon. member for Ottawa East. He first of all made some inquiries with regard to the civil service commission. I quite agree with him that the government of Canada should be the model employer. However, with reference to the establishment of a royal commission no such thought has entered the mind of the government to date but the civil service commission itself is considering all aspects of the relationship of the employer to the employee in all departments where it is concerned. If it is found necessary to amend the act to bring about a better relationship I can assure the hon. member this government will be glad to welcome suggestions which are made to it in that respect.

The hon. member for Ottawa East also asked what progress had been made with regard to the institution of collective bargaining. I might say he knows as much about it as I do because I think everything that has happened to date has been reported in the newspapers and even some of the things that have not happened to date have already appeared in the newspapers. In making that last remark I have reference in particular to a much publicized meeting which was prophesied by the press and which has not yet taken place but which will take place in the near future.

With reference to the royal commission on patents, a matter which was brought up both by the hon. member for Ottawa East and the hon. member for Assiniboia, I would point out that on October 28 I answered a question which the hon. member for Assiniboia put to me with reference to the availability of these reports. At that time I told him that the report on copyrights was ready in English but a final draft in French was still in the process of being prepared. That is still the situation. I expect to have it shortly but in the meantime it has not come to hand. The hon. member for Ottawa East asked me when it would be tabled. I can assure him that it will be tabled just as soon as it is available.

Since I am speaking of the royal commission, I might refer to the remarks of the hon. member for Assiniboia. I agree with him that there is every urgency in the matter of these reports. The commission was given a tremendous task and it must be borne in mind that the members of the commission have other duties as well as those imposed upon them by reason of this particular commission.

While it is true that the sittings on patents will be resumed in March, and it may seem to the hon. member that that is quite a long way off and that the report will be delayed by reason thereof, I should like to point out that we expect to have the report on industrial designs shortly. It is thought well to take this step by step and table the reports as they are ready rather than hold up all of the reports until such time as the complete result of the deliberations has been printed. I shall be very glad to inquire whether there is any way in which this work can be speeded up.

Since he asked me to comment on the necessity for an early report, I might say I agree with him that it is in the interests of industrial growth that the matter of patents should be examined carefully; that the recommendations of the commission should be in the hands of the government with a view to taking such steps as may be feasible and desirable to protect our industrial life and the works of our inventors.

The hon. member for Ottawa East spoke about the move of the patent office and practically answered himself. This move was undertaken before this government came into power. In fact the plans were so far advanced that there was very little that could be done about it. Accordingly the move is proceeding or plans for the move are proceeding. Of course there are different opinions amongst those who are required to use the patent office and I can only say I hope that they will find they will be much better accommodated in their new quarters.

The hon. member's question with regard to the printing bureau perhaps could be answered by saying that some time ago I received a request for a conference with those concerned on the matter of salaries and wages. Probably the hon. member for Ottawa East had specific reference to what is now known as a time lag in the adoption of rates after negotiations by printing employees in other centres. I immediately answered the letter and said I would be very pleased to see those representatives at an early date and, to my surprise, they said they were not ready. Maybe they were not used to getting such a fast reply but in any event they were not ready and I am now waiting until such time as they are prepared to meet with me.

I assure the hon. member that I too would hope that bilingualism would grow in the civil service. Of course he understands as well as any that there are many parts of Canada where it is not necessary and where, even if it were a requirement of the service that a person should be bilingual, by reason of having no place in which to practice the second language it would soon fall into disuse. I know that from personal experience. It is unfortunate that the acquisition of a second language does not always bring with it the opportunity for its use. I could wish it were true in my own case.

The hon. member for Winnipeg North Centre asked particularly with respect to the individual items and the amounts which it was expected to save in each department or on each vote. Mr. Chairman, one of the first matters that came to my attention was the expenditures which were authorized for this department—maybe "authorized" is not the word because just now we are seeking the authorization, but the estimates which had been proposed for this department. It took a few weeks to investigate them and by the time I had the reports all in I found to my surprise that the largest part of the estimates either had been apportioned or had been committed pending the approval of this house. So that in this department, although we expect to make a saving, I do not think I can pinpoint it to the extent of saying so many thousands of dollars on one vote or another. I can assure my hon. friend that I am keeping an accountant's eye on the amounts which are appropriated for the various votes.

Mr. Knowles (Winnipeg North Centre): Perhaps the minister will permit a question at this point. It is clear, is it, that she will be asking the house to vote in full all of the amounts set opposite the items in her estimates?

Mrs. Fairclough: Mr. Chairman, this is a matter to which I gave a considerable amount of thought and, having regard to the commitments which have already been undertaken by the department, I think that in so far as my own department is concerned it would be advisable to ask for the votes as they stand and then effect what economies we can rather than try to cut regardless of the requirements of the department and then be forced to ask for some of that cut-back in supplementary estimates at a later date.

The hon. member for Burnaby-Richmond made reference to the rather formidable list of acts which are administered by this department and said that he expected I would spend long hours in perusal of my duties. I can assure him I have already spent long hours in that pursuit and I feel that I shall spend many more before I have a complete grasp of the many and various matters which are the responsibility of the Secretary of State.

To answer specifically the question which he asked with reference to Vote 412, the union office for the protection of literary and artistic works is a copyright union office, and this is the contribution of the people of Canada to this international office.

The hon. member for Vancouver-Kingsway brought up the matter of the claim of this young Japanese woman who has been unable to claim her inheritance by reason of confiscation. I might say to him that, regardless of the sympathy which each and every one of us has for individual persons, this is a principle which has been adopted by all countries. It is not Canada alone which has adopted this principle, and even if we wanted to it would be almost impossible to differentiate between claimants. What is right for

one claimant is right for another without regard to the amount involved. It is unfortunate that as a result of wars many innocent people suffer not only financially but also in health and in other ways. I am sorry I cannot give the hon. member any encouragement to think that in this particular case anything can be done other than what has already been done.

The hon. member for New Westminster asked about the increase in the amount expended for paper. I think the hon. member has had some connection with the paper business and he probably knows that prices have gone up, as have the prices of a great many things. Not only have the prices of paper gone up but the prices of printing and otherwise processing, such as the making of envelopes and so on, have increased as wages and other costs have increased. I fancy it would be a study in itself to determine to what extent this accounts for the increase in the appropriation for paper.

But I might say to the hon. member that there are many ways in which an eye is kept on the amounts expended. For one thing, the organization and methods division of the civil service commission is constantly studying ways and means of effecting economies in staff and paperwork. There is also, as the committee knows, a suggestion awards board which receives suggestions from civil servants, many of which have been acted upon with resultant savings to the government. The Queen's Printer, I may say, also has the authority to question what he considers to be any abnormal requisitions and sometimes he does just that. All of these practices are pursued by the department. I would be glad to see if I can get a more factual reply to his question, but I believe that in general that fairly well answers it.

Mr. Hahn: Would the minister permit a question? The reason I mentioned the matter was that it has to do with the publication of departmental reports and other materials. I note on checking the summary of standard objects of expenditure and special categories that this department, taking this year compared with last year, is the only one where there is such a huge increase. For example, in the Department of Mines and Technical Surveys there is a drop from $216,000 to $179,000. In the case of the unemployment insurance commission there is a drop from $164,000 to $153,000. In the case of the Post Office Department, which usually has a good number of publications, there is a drop from $150,000 to $144,000. I was wondering whether there were many more separate publications this year compared with former years.

Mrs. Fairclough: Mr. Chairman, just as a matter of speculation I would think it would be apparent that as the country grows and more people are in the country more and more reports will be required by more and more people and consequently the numbers will increase year by year. I realize that is not a complete answer, but in so far as any other departments are concerned no doubt the hon. member can get a reply with respect to those departments when their estimates are before the house because there may be particular reasons for a department having an increase or a decrease. There may be special reports and so on of which I would not know.

In answer to the question of the hon. member for Richelieu-Vercheres, may I say that I will be very happy indeed to check into the delay in translations. Of course, as the member knows, at different seasons of the year different problems beset the bureau. When the house is in session there is a great deal of work for the house and its committees which might at some period of the year delay other work. But in so far as is possible the bureau does try to have translations available as quickly as it can. If there are any specific instances the hon. member has in mind about which he would like to inform my office, we will see what we can do to speed them up.

Mr. Cardin: Perhaps the minister might be able to answer whether, for instance, there has been an increase in the translation staff of the Department of External Affairs, which I considered to be understaffed.

Mrs. Fairclough: I can say to the hon. member that so far as I am aware there has been no increase in the translation staff of the Department of External Affairs. If it were required by that department I believe they would have to make a request. The Department of the Secretary of State would hardly suggest to them that we should provide them with extra translation staff if they had not asked for them.

Mr. Cardin: Perhaps the minister may find in the records that the Department of External Affairs did ask for an increase in the translation staff. As a matter of fact, I tried very hard to get a couple of extra translators last year.

Mrs. Fairclough: I am informed there was an increase a year ago for the Department of External Affairs. There has been none this year.

The Chairman: Shall the item carry?

Mrs. Fairclough: Just a minute, Mr. Chairman. I still have a couple of answers to

give. The hon. member for Verdun asked some questions and with his permission I will wait until we reach the estimates of the chief electoral officer before answering them.

Mr. Pickersgill: Is the hon. lady not going to answer my question? I think it is the only one she did not answer.

Mrs. Fairclough: I am sorry, Mr. Chairman, I thought I had answered them all.

Mr. Pickersgill: I would be happy to repeat the question. It was a very simple one. My question was, would the hon. lady enumerate the examples of waste and extravagance which the Minister of Finance found in her department?

Mrs. Fairclough: I thought I answered that when I answered the hon. member for Winnipeg North Centre.

Mr. Pickersgill: The answer is none then.

Mrs. Fairclough: No, I would not say that. I told him, as I tell the hon. member for Bonavista-Twillingate, that we expect to make some savings but at the time that I came into the department the funds were pretty well allotted.

Mr. Pickersgill: Perhaps the minister has not realized that the Minister of Finance has said over and over again that he had already discovered many examples of waste and extravagance, and we on this side of the house are naturally very curious to have some specific examples.

Mrs. Fairclough: I am quite well aware of what has been said, Mr. Chairman, and the hon. member's curiosity is evident.

Mr. Pickersgill: And unsatisfied.

Mr. Herridge: I am now the only member whose question the lady minister has not answered.

Mrs. Fairclough: I apologize to the hon. member. With regard to congratulatory messages on wedding anniversaries, it is possible to obtain a message from Her Majesty the Queen on the occasion of 60th wedding anniversaries and one hundredth birthdays. I believe also that if citizens are long-lived enough to go beyond those years it is possible at intervals, such as 65th or 70th wedding anniversaries, to secure messages. These should be channelled through the Department of the Secretary of State. It is the practice in the department to inform the Prime Minister also of such outstanding occurrences and I believe he usually adds his congratulations as well. Is that the information the hon. member requires?

[Mrs. Fairclough.]

Mr. Hahn: Referring to the question I posed to the honourable lady earlier, I would draw to her attention that possibly she misinterpreted my remarks. It appears that in this instance, in so far as departmental publications are concerned, we have a 40 per cent increase, which is possibly the greatest increase for any single department. The increase in other departments seems to be only about 5 per cent or 10 per cent. I am fully aware that there are probably more publications issued by this department, but I do not think the price of paper has increased to such an extent that it would account for the full increase. I am wondering, therefore, if there are many new publications or is this possibly one of those instances in which the Minister of Finance is going to make one of those savings about which the hon. member for Bonavista-Twillingate was so interested. Has that figure been reduced or is the $658,000 the figure with which the department intends to carry on?

Further in respect to the Department of the Secretary of State alone, I would point out to the minister that we have one increase that is probably the result of the increase in the price of paper, which I fully recognize has occurred. I draw her attention to the fact that in the case of office stationery, supplies, equipment and furnishings, we have an increase of $2,000 or about 2 per cent, yet as I indicated earlier there is a 40 per cent increase in so far as publications are concerned.

Mrs. Fairclough: I am sorry but I did not hear the last part of the hon. member's remarks.

Mr. Hahn: In the case of office stationery, supplies and equipment, we have an increase from $96,000 to $98,000, which is about 2 per cent. Then, under publications and departmental reports, we note there is an increase from $472,000 to $658,000, which is approximately 40 per cent. I am saying that this increase must represent new publications, and if so would she be prepared to tell us what they are?

Mrs. Fairclough: These figures are slightly misleading, because in the year 1956-57 there was a supplementary estimate of some $300,000 which brought the amount up to $770,000 instead of the $472,000 shown here. There is actually, therefore, a slight decrease, and that is one of the reasons for the change in the appropriation asked for this year. In addition, one of the reasons why this amount has increased so startlingly is because of the number of patents that are being printed.

Item agreed to.

PATENT AND COPYRIGHT OFFICE

410. Administration division, $122,670.

Mr. Small: I should like to ask the minister about the patents and copyright office. During the last two years there has been a considerable amount of complaint about the backlog of patents in the department. Last year I asked the minister about this backlog and he reported that considerable success had been achieved in catching up with the backlog. It was stated also that the department was being reorganized. It was admitted that there was a shortage of staff and a shortage of space which they were trying to rectify. I should like the minister to say a word about this backlog and the improvement being made in this condition and the increasing of staff to take care of it.

Mrs. Fairclough: One of the difficulties in the department has been the trouble we have had in recruiting engineers to examine inventions. Probably I could give the hon. member some statistics for which he asked with regard to the backlog.

The total number of cases pending as of March 31, 1956 was 72,608. In the ensuing year, new applications received amounted to 21,762. The number of applications allowed in that period amounted to 16,400; the applications which were abandoned, 3,941; leaving a total number of applications pending in the office as of March 31, 1957 of 74,029. This represents an increase over the number pending in 1956 of 1,421.

Mr. Small: Has there been any increase in the floor space allotted to this department, for which they were looking some time ago?

Mrs. Fairclough: Well, that was one of the matters brought up by the hon. member for Ottawa East. There is a move contemplated but it has not yet taken place. It is expected that somewhat more space will be available after the move has been accomplished.

Item agreed to.

PUBLIC PRINTING AND STATIONERY

346. Departmental administration $561,934.

Mr. Knowles (Winnipeg North Centre): I wonder if the minister would comment further on the matter of adjusting wage rates at the printing bureau, and in particular would she say whether she or the government is giving consideration to asking parliament to amend one of the provisions of the Public Printing and Stationery Act? I have in mind what experience has proven to be a rather ambiguous provision, the one which relates the wages of the employees of the printing bureau to the rates paid in the printing industry in Ottawa, Toronto and Montreal. This provision is generally regarded by the employees at the printing bureau as some sort of protection, but in practice it has not worked out that way.

As I recall it, though I have not the wording of the section in front of me, it says that the wages of employees at the printing bureau shall not be greater than the wages paid in the trade in Ottawa, Toronto and Montreal. That wording permits them to be less. I wonder if consideration is being given to clearing up this ambiguity and making it a little more mandatory, if I might use that word, that the rates paid employees at the printing bureau or in the greater Ottawa area shall be the rates paid in those three metropolitan centres.

Mrs. Fairclough: So far as I know, Mr. Chairman, that has been the case. The problem which has been presented over some considerable period of time I believe has been one of the retarded action on behalf of a certain number of employees where their wage rates are related to those which are the result of negotiations in the city of Montreal. In that regard, I should like to say that this is the very question which I agreed to discuss with the employees of the bureau. They are not yet ready to discuss it. If and when they are ready I would be very happy to discuss it with them.

Mr. Knowles (Winnipeg North Centre): I am sure that after one of the linotype operators sets the minister's words tonight in the government printing bureau it will not be long before that meeting will be held.

Mrs. Fairclough: The date is already set.

Mr. McPhillips: This vote involves the officer known as the Queen's printer. I know that the minister's department is concerned to some extent with protocol; in fact the minister is custodian of the great seal of Canada. I am sure that she is concerned with the history and traditions of the nation. For nearly a century, in fact, for well over a century if you want to go back to the history of the provinces of Canada—the Queen's printer has always been known as "Printer to the Queen's Most Excellent Majesty" or "Printer to the King's Most Excellent Majesty", depending on the reigning sovereign. While it is true that the title set out in the statute is simply "Queen's Printer and Controller of Stationery", that has always been in the statute. That was not changed. To my knowledge it was only concurrently with the issues of the statutes of Canada in the second session of 1951 that this time-honoured title of "Printer to the King's Most Excellent Majesty" was corrupted down to simply the words "King's Printer". I think that is a shame. I think the time-honoured

title belongs to the history and traditions of this particular office and I am going to recommend to the minister that this practice be put a stop to forthwith and that the traditional title be used for all government publications.

An hon. Member: An earth-shaking recommendation.

Mr. Pickersgill: Perhaps the hon. member could do that when he dismisses all the deputy ministers.

Mr. Herridge: I understand that when a department requires some printing done by the Queen's printer, an outline of the work required is submitted to the Queen's printer and then an estimate is supplied to the department. I ramble around this town quite a good deal on occasion and during the past 12 years I have had a number of discussions with quite senior officials in various departments. I find that on the question of estimates the Queen's printer is a most unpopular person with some people. I find—and I have heard this quite frequently—that a department will ask for an estimate on a certain number of publications and give the Queen's printer the specifications. Then when they get the bill it is about twice as much as the estimate given by the Queen's printer. On a number of occasions it caused quite serious embarrassment in the departments concerned because the costs were considerable and I am informed that on some occasions it actually meant the necessity of asking for a supplementary estimate.

My point is this. Surely a branch that has been in operation as long as has this branch must acquire some experience in giving estimates. I would suggest to the minister that she look into the question and ask the printing bureau to supply her with a list of estimates for work to be done by departments and also to supply her with a list of the bills submitted in relation to those estimates.

Mrs. Fairclough: If I were to procure statistics, I wonder whether the hon. member would be willing to work a few nights looking over them. I can assure you, Mr. Chairman, that that is work that should be done by the department of the Queen's printer and not by the minister. However, I have every sympathy for the departments which find their quotations to be inaccurate. If the hon. member would care to give me a list of the particular quotations which have shown the inaccuracy to which he has referred I shall be glad to try to find out the answer.

Mr. Herridge: My information is such that I can speak only in general terms. However, I can assure the minister that my information is correct.

[Mr. McPhillips.]

Mrs. Fairclough: I am assured that those instances are few and far between.

Item agreed to.

347. Purchasing, stationery and stores, $1,175,114.

Mr. Knowles (Winnipeg North Centre): There is one other question I should like to ask the hon. lady. What consideration has been given to the suggestion that has been made from time to time that the government should show its belief in the right of labour to organize by entering into collective bargaining so far as the printing bureau is concerned and also by arranging for any printing that is farmed out by the Queen's printer to be done in union shops?

Mrs. Fairclough: I should like to answer the last question first. So far as I am personally concerned, I should like to see all printing done in union shops, where it is farmed out.

Mr. Knowles (Winnipeg North Centre): The hon. lady is now in a position of authority.

Mrs. Fairclough: Sometimes there are occasions where work is going to a given area and they find there are no union shops in that area. I grant you those occasions are rare but it does happen on occasion. Just recently there was one order which had been placed with a shop which was not able to place thereon a union label. That situation was rectified at the suggestion of the minister.

With reference to the first part of the question, in a sense collective bargaining has been established for those workmen who belong to the trades because, as was intimated earlier, in one class the rates prevailing in Toronto, Ottawa and other places take effect immediately upon the effective date of the agreement reached by the local printers with the trades concerned in their own areas. That is also true of another group whose rates of pay depend upon the negotiations which are successfully completed in the city of Montreal. When you go beyond those classes, I think the matter is one which falls within the purview of the civil service commission where they are considering, along with the government, the whole field of employee relations.

Mr. Knowles (Winnipeg North Centre): May I ask the hon. lady one other question? I ask this without prejudice to the position I have already taken, namely that in my view all government printing should be done in union shops. Pending the day when all printing is done on a union basis is there any reason why such printing as is now done in union shops could not carry the union label?

Mrs. Fairclough: So far as I know, there might be the odd instance where it could not

carry the union label. I think each case would have to be decided on its own merits, depending upon the type of work that was done.

An hon. Member: What type?

Mr. Knowles (Winnipeg North Centre): Somebody is going to get close to a pun if he does not watch out. May I ask the minister if she will give consideration—I do not ask her for an answer now; I would rather she gave consideration to the matter and came up with a better answer later on—to the possibility of a directive being issued that wherever work is being done in a union shop that work should carry the union label?

Mrs. Fairclough: I shall be glad to do so.

Item agreed to.

727. Plant equipment and replacements—further amount required, $148,774.

Mr. Knowles (Winnipeg North Centre): Perhaps the hon. lady would indicate the reason for this supplementary item of $148,774.

Mrs. Fairclough: Yes. It is largely occasioned by a carryover from the previous year. In some instances equipment is ordered.

In some instances equipment is ordered and the appropriate amount is shown in the estimates. The end of the fiscal year arrives but delivery of the equipment has not been made. In the meantime the estimates for the next year have already been prepared, but this equipment having been expected within the previous fiscal year has not been included and when it does come in in the following year, it is necessary to ask for supplementary amounts with which to pay for it.

Mr. Knowles (Winnipeg North Centre): Then may I ask if the printing bureau, in view of the amounts involved here, is now fully equipped according to the plans?

Mrs. Fairclough: Mr. Chairman, I think the general plan of equipment is pretty well completed, yes, but of course from time to time there are always replacements.

Mr. Knowles (Winnipeg North Centre): And improvements?

Mrs. Fairclough: Oh yes.

Item agreed to.

OFFICE OF THE CHIEF ELECTORAL OFFICER—

60. Salaries and expenses of office, $73,115.

Mr. Howe: Mr. Chairman, I have a word to say on this item with respect to advance polls at election time. The act was amended in 1951 but I notice that the people who are allowed to vote at advance polls are still covered by a very narrow list which takes in commercial travellers, fishermen, those employees employed upon the railroads, airships and other modes of transportation.

In this day and age when there are people working on construction, who leave their homes early Monday morning and do not get back until late Friday night, I do feel they should come under the same jurisdiction as commercial travellers. There are also people who work many miles away from their homes, who leave in the early morning and are not able to get back at night in sufficient time to vote on election day. I am just wondering whether the minister and the officials are giving any consideration to amending this act so that the categories of those who are entitled to vote on election day may be broadened.

Mr. Winch: I would like to add a few words with respect to this question of the advance polls. I realize it will probably require a change in the act but, speaking as a member from the city of Vancouver which is the source of supply of hundreds, if not thousands, of workers who actually work out of town, I wonder if it would not be possible for consideration to be given by the minister to extending the regulations with regard to advance polls to a far greater extent. I can assure the hon. minister that in British Columbia there are many thousands of people who are disenfranchised because of the limitations of the advance polls and I do hope that very serious consideration will be given to an enlargement of that section of the act.

There are a number of matters which could be raised under this vote but I merely wish to raise two questions. One is with regard to a question asked quite a while ago by the hon. member for Winnipeg North Centre to which an answer may have been given. If so, I regret raising the matter again, but it is of importance and I would like a comment from the minister. In Vancouver I was informed during the last general election—and I am sure this is the case in respect to many other members in British Columbia—time after time that it was becoming almost impossible for union shops to compete and do the work in the preparation of the voters' lists and other material required in an election by the federal government because there had not been a change in the price that could be paid for such work.

Now in view of the statements made by the minister as recently as a few moments ago, I hope she is now in a position—bearing in mind that she is one who has in the past spoken so strongly in favour of the trade union movement—to give us an indication that, prior to the next election, the necessary

changes will be made so that the union shops may be able to do the work required in the printing trades in a general election.

One other most important point, I think, to a great many if not all of the members of this house and to all candidates in all parties, is the assurance that those who are entitled to vote will know exactly where to vote. Under the present policy—indeed it may be the law—with respect to federal elections, after the lists of enumeration are closed the returning officer sends around a tear sheet upon which the voter's name appears. Now the fact that that tear sheet is sent to every person whose name is going to appear on the voters' list must be a mighty expensive proposition. This is a notification to the majority of the people that their names are on the list but it has been my very definite experience—and I think it must have been the experience of others—that most people upon receiving this tear sheet of the voters' list see their names thereon, feel happy and then the tear sheet goes into the wastepaper basket or the furnace. They do not notice that on the upper right hand corner of the tear sheet it tells them in very small print, that they vote at this or an approximate address. I do not know what has been the experience of the hon. minister but I do know the experience in my own constituency is that the phones are busy all day long with inquiries as to where to vote. We ask if they have not received a notification that they were on the voters' lists and they say "Yes". Then we ask "Did you not notice in the upper right hand corner it tells you where to vote?" The answer is no.

I think, Mr. Chairman, that in an act of parliament making provision for an election every care should be taken to ensure that the person knows where he votes. I can only speak provincially so far as British Columbia is concerned, but under our British Columbia provincial elections act no tear sheet is sent out at all. The returning officer sends to all those whose names are on the voters' list a post card telling them where they should vote. Now every person on receipt of that card knows he is on the voters' list and also knows exactly where to vote.

I would hope that it might be possible for something of that nature to be followed through on a federal basis but if it cannot be done immediately without a change in the act then I would suggest to the minister, through you, Mr. Chairman, that a change be made—and surely this does not require any amendment to the act—on the notification on the tear sheet in print of such size that the voter receiving this notification will know that this is the information as to where he votes and will hang onto it. This action cannot be taken by the returning officer because I took it up with the returning officer in Vancouver East and he told me he had exactly the same thought. He tried to have the size of print increased in order that it would be brought to the attention of the recipient and he was told he could not change the size of the print. I am certain the minister wants everyone to know just where he should vote and I would ask if she could arrange to have the chief electoral officer give authority to the returning officers to put the notification as to where a person votes in larger print than it has ever appeared in the past. I see no reason why this cannot be done.

There are many other things that could be spoken about on the subject of the Canada Elections Act but I will rest content with these three matters I raised hoping that something will be done in the near future.

Mr. Smith (Calgary South): Mr. Chairman, in view of the fact the question of advance polls has been raised I would like to offer a suggestion to the minister which I am sure has been brought to her attention previously and that is the suggestion which has been raised by the Canadian federation of mayors and municipalities for the last four years that some uniformity be attempted in the regulations as far as continuity of advance polls is concerned. I am not suggesting the act should be changed in order to satisfy municipal or provincial representations but they have presented very comprehensive briefs on the question of continuity and also on the question of flexibility which several hon. members have raised, both of which suggestions are valid.

Having experience in the province from which I come where such uniformity has now been reached it might well be that the minister will take this into consideration in view of the remarks that have been made because of course there has been confusion with regard to advance polls which has created a problem in the past.

Before resuming my seat I would point out that my name being what it is I certainly have no objection to the name Smith being kept on the sample ballot.

Mr. Patterson: Mr. Chairman, I know we have progressed far into the estimates of the Department of the Secretary of State but I would just like to add my words of congratulation to those that have been extended to the hon. lady on her elevation to the office of Secretary of State. I was impressed with the evident change in tone which has characterized the statements of various members as they have asked questions and made their contributions in this debate and it occurred

to me that if we ever reached the point where a lady headed up each and every department of government this house would be a very quiet place.

Mr. Byrne: It would be all lady members.

Mr. Patterson: Many of the caustic comments would be omitted from our discussion and in fact it might even get monotonous at times.

We are now considering the estimates relating to the office of the chief electoral officer and several of the points I had intended to raise have already been raised by other hon. members, for instance the question of advance poll. I believe that the purpose should be to try and make it feasible for as many as possible of our citizens to vote in the various elections. If it requires changes in the act or in the regulations those changes should be effected because, as I have said, I believe that every qualified voter in the country should have the opportunity, shall I say with the least possible inconvenience, to cast his or her ballot in the elections that are held. I understand there are just certain areas designated under the Canada Elections Act where advance polls can be set up. There are also very close lines drawn as to who can vote at advance polls. I would suggest that consideration be given, not only to increasing the number of advance polls and placing them strategically across the country but also to extending the categories of those qualified to vote at advance polls.

Mr. Knowles (Winnipeg North Centre): Why should there be any restrictions?

Mr. Patterson: I am being modest in my request. There are several other matters I would like to mention and one is the system of enumerating as it is now conducted. I have not any plan to offer in this particular respect but I believe the system of enumerating could be vastly improved in many areas. For instance, in the last election we found there were whole blocks of residences entirely left out. I think I am safe in saying we found there were hundreds of eligible voters whose names did not appear on the lists at all. This may have been due to errors in human judgment but there were also instances where the names were given to the enumerators and then when a check was made at the time of the sitting of the court of revision the names were still not on the list and in some instances when those very same individuals went to vote on election day they found their names were still left off the list. I do not know just what can be done, whether it is a matter of enforcing the regulations or what other means can be employed to correct the situation, but I believe some attention should be given to these seeming irregularities in the matter of enumerating.

Another problem is the posting of voters lists. This question was raised during the last campaign when we discovered that some of the voters lists were nailed up on trees in different places and many were defaced possibly by children or by the weather. The lists had become almost impossible to read and in some cases they had disappeared altogether. It was suggested that when this particular section governing the posting of voters lists was placed in the act it had reference to the days when there was a common meeting place in each community perhaps under some great tree and the lists were placed there in what was possibly the most convenient place to find them. I would suggest that the voters lists be posted somewhere where they will be protected from the elements and where some supervision could be given regarding the condition in which they are kept.

The court of revision should be set up in perhaps the most populated area of a community. As it is now, I believe that those who are responsible for the court of revision can set up the office possibly in their homes, but in some instances that home may be two miles from the most thickly populated area of that community or of that section. Therefore the people from the populated area have to make a journey of one or two miles and perhaps turn off to a side road somewhere and look around in the dark to find the place where they are to check their names. I suggest that some attention be given to this particular matter as well.

Then, there is the matter of the political affiliations of the candidates on the ballots. I know this has been turned down. It was turned down by the previous administration on the basis that we were elected as individuals and not as members of parties. I think we ought to be at least realistic. I know we can possibly look back and say, yes, that was so; but after all we have to keep up with the times in some respects. It would save a lot of confusion if the political affiliation of the candidate were included on the ballot. This would be of tremendous importance in the event of two, or perhaps even three, candidates having the same name and in some instances the same initials as well.

Therefore I make these suggestions and recommend that consideration be given to some of these matters with a view to eliminating some of these irregularities and in other respects bringing our election act more in line with present day realities.

Mr. Peters: I also would like to congratulate the minister. I was afraid for some time last year that the first lady cabinet minister of the government was going to come from

my riding. I am quite pleased to congratulate the present incumbent.

I would like to mention the matter of printing. Over the years we have seen where the printing for elections has been done, and where a vast quantity is given out at one time, the system of patronage is quite often applied. This means that while there are a number of printing shops in an area which could do this kind of printing, because a particular printing company is a friend of the party that has the giving of this patronage the contracts for printing are sometimes done on that basis. In a number of instances it works a great deal of hardship. I can recall one printing shop that did the printing for three ridings, and the time limit had been reached before the printing was available. On a number of occasions the time had expired before the printing was done. The problem was raised in my riding in the last election. I think the printing could be spread around not only because I do not believe in the principle of patronage in this matter or in anything else but because it would facilitate getting the printing done a lot sooner and would meet the requirements of the time limit.

I have another matter I should like to discuss, namely the voting of service personnel. I had the unfortunate privilege this year of being able to see all the ballots of the service personnel in my particular riding. I do not expect that to happen again, but it did give us the opportunity of seeing some of the things that were wrong with the system that we are now using in service personnel voting.

There is a time in December when the service personnel name the riding from which they come. When that is done I think lists should be made available to the candidates on the same basis as the voters' lists from municipalities are made available. We find that it is almost impossible for a candidate to find out not only the areas that the service personnel are in but also how many service personnel are in a particular riding. In most instances we do not come within 100 per cent of guessing how many service personnel there may be in a particular riding.

In discussions with some of the service personnel we find that there are a lot of things to be desired in the methods they use for taking the votes of the service personnel. We are told that—obviously the ballots that I saw and the areas from which they come bear this out—some particular areas are well represented. A large vote comes from them. Other areas have no votes coming from them. A directive should be issued to the officers in charge of voting along with information for election purposes and all the service personnel should be given the same kind of information as to who are their candidates and the ridings in which they are registered, together with all other pertinent information.

In a provincial election I had the opportunity to visit one of our large army camps at election time. In that particular camp the commanding officer informed me that he had no interest whatsoever in elections; he was not going to get mixed up in them, and no election discussion would take place at his particular camp. He would have been quite happy if they had declared all the service personnel out of bounds. The result is that one particular party who has a friend in that camp reaps the advantage. There will be a large vote.

We have examined the vote in this particular instance. The information which was given was in most instances one-sided. At the end of the year, in December, when the list is compiled—and I understand it can be changed only once a year—they should be made available. If the particular lists, with the number of people and the names of the people, can be made available, as is done in municipal elections, and still meet security requirements then that should be done.

Perhaps I should tell the committee why I saw the ballots in the last federal election. There was a recount and obviously we had the opportunity to examine them and find out from what areas they came.

There is another problem that enters into the situation when there is an army camp in a certain area. The service personnel themselves are listed as being registered in whatever district or riding they choose. As I said, they make their choice at the end of the year. But if they have their wives with them at the camp, then the wives must vote in the riding in which the camp is located. That in turn works another hardship because, if there is no method—and I think there obviously should be some method—of getting information to those people who are voting in that riding—in this instance the wives of the service personnel—hon. members can see the difficulties which arise.

In a recent election I was informed in Camp Borden that there were going to be no public meetings; no posters were to be allowed and there was going to be no literature distributed, although at that time there were 700 women in the riding who were eligible to vote. Therefore, I think some consideration should be given to changing the act. If we believe—and I think we all do—that our service personnel have the right to vote, then I think they have the right to know who they are to vote for. They should

be given some information and that should not be just the prerogative of certain candidates. All candidates should be entitled to that information, and I think the women who are in the riding should be treated as other citizens in that riding, and they should be allowed to hold public meetings, or whatever the candidates decide amongst themselves should be done.

Mr. Small: I should like to add to the suggestion made by the hon. member for Fraser Valley with regard to the posting of voters' lists. He brought to the attention of the committee that these lists are exposed to the weather and are subject to being torn up by children or damaged in other ways with the result that they may not be complete. When the tear sheet is sent out people are notified that they are already on the list but there are always some people who are missed. To overcome that I suggest that there should be some central place in each subdivision where the lists can be seen. The location should be advertised and, if necessary, certain hours in the day should be set and someone should be there to give further information if it is needed.

I think it is a very necessary part of the enumeration process that the lists be posted and what I have suggested will overcome many of the difficulties that have been encountered during an election. It is a simple thing. It would only cost a little extra. These lists are exposed to the weather and subject to the hazard of being pulled off the post. The only way we can overcome that is to have the lists available under cover at some central spot.

Mr. Herridge: Mr. Chairman, while I am sure the majority of members recognize that we can improve the election act by a number of amendments, I am also sure that for two reasons we can be proud of the way in which elections are conducted generally in Canada. The first is the sense of fair play that exists among the Canadian people. The second is the excellent and efficient senior officers who administer the act.

In view of the thousands who are denied the opportunity to vote under the present act, I support wholeheartedly the representations made by previous speakers regarding certain amendments, particularly with respect to an extension of the qualifications in the case of those who are entitled to vote at advance polls. My constituency is one of those that are particularly affected by the restrictions in the present act. We have large numbers of lumbermen and miners who have to work some distance away from home.

It is the practice in large sections of my constituency for loggers and lumbermen to travel anywhere from 20 to 50 miles to work and to return during the week ends, often by water transportation, sometimes by air or over rough mountain roads. Quite frequently a man returns for the week end or for a few days to the village in which he resides and then has to leave on Sunday to be back at work for Monday morning. Because it is not possible for these lumbermen and loggers to return at any reasonable expense for election day they are denied their right to vote under the present act. The same situation applies to a lesser number of miners in my constituency, particularly those who are working in small mines at high levels and in isolated places.

But we have a particular situation in the interior of British Columbia that I want to bring to the minister's attention, and I presume it exists in other forested portions of Canada. Large numbers of men can be denied the opportunity to vote on election day should they be called away to fight a forest fire. To illustrate, Mr. Chairman, some three or four days before the last election on June 10 a large fire started in the Big Bend country of the Columbia river.

Mr. Knowles (Winnipeg North Centre): Who started it?

Mr. Herridge: I think it was started by lightning at high levels. In order to meet such a fire menace in very large and valuable stands of timber it is often necessary to mobilize several hundred men and get them to the scene of the fire as soon as possible. In our district it is nothing unusual for all the mills to be closed down and anywhere from 100 to 300 men quickly mobilized and transported 100 or 125 miles. This fire was 175 miles away from the home towns and villages of the men who were gathered together to fight it. Here they were taken away on Thursday or Friday without the opportunity to vote at advance polls.

They were faced with this question. These men value their votes. These are men who should have the right to vote like all other Canadians should. Under the law they would have been able to leave the scene of the fire but it would take so long that if they demanded their right under the act to have the opportunity to vote they would have only been able to work about half a day and then return to their home towns in order to vote. Fire is a very serious thing in our district because the economy depends to a great extent on the forest industry, the sawmills and so on. These men decided to go to the fire. The heads of several lumber companies concerned telephoned me and also telephoned the returning officer but I said that the law was the law and we could not get around it under these circumstances. I

did promise to bring the matter to the attention of the house at the first opportunity.

A large number of men were mobilized to fight this fire and they proceeded to the Big Bend country in the upper reaches of the Columbia. Happily the weather turned mild and there was some rain at high levels. By working like the very devil indeed they were able to put the fire out by Saturday night and they arrived back at their home villages in time to vote on Monday, fortunately for me.

Mr. Knowles (Winnipeg North Centre): And for them.

Mr. Herridge: And for them, I trust. Anyway, Mr. Chairman, I bring this matter to the attention of the minister because this situation can develop very quickly anywhere that forest fires are likely to occur in British Columbia, and I think other members will corroborate me in that respect. The result is that hundreds of men can be disfranchised under such a situation.

I urge two things upon the minister. I urge that very serious consideration be given by the minister to the extension of the qualifications for those with the right to vote at advance polls in view of the numbers denied the right at the present time who are working in the lumbering and mining industries and the relatively large numbers who can be denied the opportunity to vote in forested country should we be faced with a serious fire situation.

Second, I do think that to meet this situation fully and properly there should be an increase in the number of advance polls. At the present time it is usual to have advance polls in some of the larger centres but if our people, even under the present legislation, are to be completely and properly served, especially in these more or less isolated districts, provision should be made for a larger number of advance polls.

Finally, I simply want to say that the people who are denied the right to vote under the present legislation are usually workers involved in our primary industries in isolated places who are helping to increase the production of this country, people who have the right to vote and who treasure their vote. We want all Canadians to vote and I do urge the minister to give serious consideration to amendments to the present act to remove this injustice suffered, I presume, by hundreds of thousands of Canadians under the present law.

Mr. Johnston (Bow River): Mr. Chairman, I should like to say a few words.

The Chairman: Order. I recognize the hon. member for Burnaby-Richmond.

[Mr. Herridge.]

Mr. Irwin: Mr. Chairman, I want to say a few words on this matter and follow up what the hon. member for Kootenay West has said about advance polls. There are two features with respect to advance polls that should be given attention within a reasonable length of time. I do not know whether it is possible to do it between now and the next election. I hope it is. These matters should be given attention because not only do the conditions outlined by the hon. member for Kootenay West arise but in a constituency such as mine something else happens.

There are a large number of fishermen in my constituency.

They generally come home on Friday night and have to spend all day Saturday fixing up their nets and getting their boats in order to go out again on Sunday. The advance poll is generally set for the Friday and Saturday prior to election day. The result of that is that these men, because they are not included in the schedule of those permitted to vote at advance polls, are disfranchised.

Furthermore, under the present schedule of districts that are eligible for advance polls the returning officer is confined in a constituency such as mine to Burnaby. The Richmond area cannot have an advance poll. Now that is wrong in principle because the fishermen all reside in the Richmond area. They are disfranchised because the returning officer cannot set up a second advance poll in Richmond. Then again when the advance poll is set up in Burnaby these men have to travel about 12 to 14 miles if they want to go there.

I am not a bit surprised that under the present system of enumeration we get a great deal of skipped enumeration. When an enumerator is paid only ten cents a name and finds a person absent from home there is not the foggiest chance in the world of that enumerator going back again. I would not blame him. I would suggest to the minister that consideration be given to raising the amount paid enumerators. I would point out that the return of ten cents per name has been in effect since 1934. It has not been altered during all that time. I would suggest that the cost of enumeration today is not too high when one considers the work that is done. If we are going to insist on enumeration, then we should take every possible step we can to be sure that the enumerators are properly compensated so that they will carry out their work in an efficient manner. You cannot expect an enumerator to call at a home three or four times for the ten cents paid for securing one name. It cannot be done.

I would suggest that the minister take up the question of a running enumeration, that

is a voters list which is permanent, as we do in British Columbia. The voters lists are kept permanently and any person can get on the voters list whenever he wants. If a person moves from one place to another, he can get on the voters list there. The result is that the voters list is always up to date. I realize that would mean establishing a permanent registry of voters, such as we have in British Columbia, but that is less costly than enumeration.

I should like also to support the request of one of the other members for a reconsideration of the line rate that is paid for printing the voters list. This is not a question of unions or anything like that, but at the moment the line rate is such that printers cannot take voters lists in union shops. The line rate for printing these voters lists has not been changed for many years. It is about time that these matters were given a little consideration. I do not believe an amendment to the act would be required to take care of these things.

There is one other little matter which could be rectified by a change in the act. At the present time when the returning officer sets up polling areas one would naturally expect that he would put the polling station in the middle of the polling district. However, they do not do that. They set up a polling district and then they set the polling station over in one corner of it. The result is that in an area like Burnaby, what happened in two different places was that the polling station was established in such a way that people who were living within three quarters of a mile of the polling station had to travel nearly four miles to get to it, simply because it happened to be on the other side of a creek. I would suggest the returning officers be instructed to set polling stations where they will be equally accessible to all persons within a given polling area.

With regard to the matter of putting the political affiliation of a candidate on the ballot, I think that is a must. Now that there are quite a number of parties participating in an election I feel the people should know the affiliation of the person for whom they are voting. There are plenty of people who vote for the party. They do not know the candidates and do not know whether they are Liberals or Conservatives. I think they should be given a chance to vote for their party if they feel like it. There is no reason why they should not be given that opportunity. May I point out that the service vote is strictly on party lines because a serviceman can write in the name of the party on the ballot, not name the candidate at all, and that vote will be accepted. If that procedure is valid for the service vote, why should it not be valid for the civilian vote?

Mr. Byrne: While I have never been noted particularly for my gallantry, I sincerely congratulate the minister upon her ascendancy to the high position she holds. I might say further that is probably one indication of the fact that the bill which she brought forward so assiduously concerning equal pay for equal work for women was not so important after all.

I join particularly in supporting the hon. member for Burnaby-Richmond in his observations that we are not paying the printers sufficient for printing the voters lists. In my travels during the last campaign I visited the printing office of one of the weekly newspapers. I noted they were not busily engaged in printing the voters lists. I asked him why that was so. He said he could not afford to do it, his time was too valuable, and he could not afford to hire help. He had no interest in printing the voters lists.

I cannot agree with the hon. member for Timmins that there is a great deal of patronage with respect to this, because it seemed to me that almost all the newspaper offices I visited were busily engaged in that work. They all had the same complaint, that they were not being paid sufficiently for the work they were undertaking.

Mr. Fraser: How about the candidate paying for his own printing, ballots and everything. The hon. member said there was no patronage, so how about the member paying for everything.

Mr. Byrne: I have no knowledge of what might have happened in the hon. member's riding, but I know in my riding those things did not happen.

The question of paying enumerators is also one which I am sure would not require a revision of the act. I am sure that an order in council might very well provide for a higher rate for each name an enumerator put on the list. This pay is not sufficient even in the urban areas, but the greatest difficulty is encountered in ridings which are predominantly rural. I feel that something should be done before the next general election.

With respect to the grievance which the hon. member for Kootenay West had, namely that constituents may be away fighting fires, perhaps that matter is not so urgent. This may transpire before the real hot weather comes so I do not think this matter is as urgent as is the need of increased rates of pay to the printers and to the enumerators.

With respect to changing the act in order to provide for enlarging the number of people who would be able to vote at advance polls, I think that is something that needs to be studied by a committee and I have no further recommendations on that matter. I have heard that innumerable difficulties would crop up if that course were to be undertaken. At the present time I do not want to press that point. I think the main thing to be kept in mind is that an election is pending, and I think the rates for the printers and for the enumerators should be given thorough and early consideration.

Mr. Rea: May I first offer my congratulations to the Secretary of State. I am not very often shocked, or at least that is what I am told, but when I went to the United Nations in September I was terrifically shocked to find that no government employee who is posted or who is on duty outside of Canada can vote. I see no reason why these people who are serving our country should not be in the same category as are the armed forces. The situation is very unfortunate. For example, at our embassy in New York, the clerks, the chauffeurs, the office help, and even the ambassador are not allowed to vote because the government has sent them there on duty and by so doing has disfranchised them and deprived them of their opportunity of voting. That is something that I shall discuss further.

What I wanted to say this afternoon is this and I have given this matter a great deal of thought. When the proper authorities come to discuss how this matter can be dealt with I shall offer some suggestions. I have worked out a system that I think will be all right. The first thing you must do is to preserve the secrecy of those that are voting. In some areas across this country there might be only two or three employees there and that matter would have to be guarded very carefully. I should be glad to offer my suggestions at the proper time when this matter is discussed.

Mr. Fisher: I should just like to ask a few questions of the minister. I should like to know how much money each individual returning officer in a constituency is permitted to spend in advertising two things, first, the courts of revision within the constituency and, second, the hours that employees may have off from work under the election act.

I make this further point in connection with the court of revision. To the junior chamber of commerce in our area which spends a great deal of time advertising the actual election day, I have suggested that they could take up this particular chore of advertising the court of revision.

I want to close with the comment that I hope the development in Toronto where they had the difficulty over the certificates that went to the court of revision will not lead to any change because we found those particular certificates to be very useful on the part of all parties at Port Arthur. The certificates to which I am referring are the ones where people go into committee rooms and fill out a petition and then the committee room people can take it over to the court of revision. We found that certificate to be extremely useful and I think it should be retained.

Mr. Johnston (Bow River): May I also congratulate the Secretary of State on her appointment as minister for that department. I should like to back up the statements made by the hon. member for Fraser Valley with regard to names left off the voters' list. I say that because I had some experience with regard to it in the last election. Odd as it may seem, the enumerator came around to our own place and we were enumerated and given receipts. We had first, of course, looked at the main list nailed up on telephone poles and found that our names were not there. On the day of the election when we went down to vote ours were the only two names that appeared on the revised list.

I had about ten or so calls from people who were concerned about the fact that when they looked at the regular list which was posted they found that their names were not there. Then they went down on the day of revision to have their names put on the list. As far as I can understand it, the people in charge there took down the names on a book—that is on the poll book—and said, "Your name will appear on the voters' list." But when they went to vote their names were not on the voters' list. The fact that they had been enumerated and had slips did not give them the authority to vote. These people had absolutely no recourse whatever.

That sort of thing happened in the very poll at which I was myself. As I say, my wife's name and mine appeared on the list and we were the only two in the whole poll. The voter is put in a very bad position. He complies with the law. After enumeration is made he is given his slip, if he is in an urban area, showing that he has been enumerated. Then he checks the list when it appears in a public place, such as on a telephone pole or whatever it is. He finds that his name is not there. He goes down on the day of revision to have it put on. Then when he goes to vote on election day and finds that his name is not there, it is a serious matter. These people have complied with all the laws and all the regulations with regard to the matter and yet they are disfranchised.

To the minister and those in charge of this matter I suggest that there possibly is a way in which to overcome this difficulty. When the voter finds that his name is not on the regularly posted list it seems to me that when he goes on the day of revision to have his name put on the list he should at that time be given a card which has on it an appropriate government stamp to show that he has the right to vote, whether his name appears on the final revised list or not. He has gone to the trouble to inspect the list. He finds his name is not there. He goes down on the day of revision to have it put on the list. Yet when he comes to the poll, he finds that he is still not on it.

It seems to me that it would be a very simple thing for the government to send out cards which could not be duplicated, with government stamps on them, and which would be handed out by the returning officer on those days of revision so that such a person would be assured, after having gone to all this trouble, that he would have his vote when the day came. It would not be a very costly matter because there would not be many cards sent to each city. I would not imagine that there would be over 50, 75 or 100 in each case. It would be a simple process. It would assure the voter that he would at least have the right to vote after he has gone to all the trouble of making the proper inspection. I hope the minister will give this suggestion some consideration.

Mr. McMillan: As the member from the Niagara district and also as a neighbour I would like to extend my best wishes and congratulations to the gracious lady and minister, the hon. Secretary of State.

I have a question I would like to ask and that is the following: What would be the position taken by the chief electoral officer or the returning officer if the sample ballot hanging outside or inside the polling booth bore a name with an "x" after it which was the same name as that of one of the candidates.

I know this happened during the last election and I do not think it is fair at all because some of the people come in, see this name and think they should put the "x" after the name of the candidate whose name appears in this fashion.

Mr. Hardie: I would like to concur in the remarks made by other hon. members with respect to advance polls. As the minister knows, although the act says that people working on transportation are allowed to vote at advance polls, this does not apply in the Northwest Territories. We have somewhat different conditions in the Northwest Territories from those in most other parts of Canada, not only in respect to transportation. We have people working on water transportation, aviation, fishing, trapping and the like and, with no advance polls at which to register their votes, what happens? Frequently—as a matter of fact at just about every election—these people in varying walks of life are disenfranchised. I think the house should try to make it possible for as many of our citizens to exercise their right to vote as possible.

Now, as I have said, in the north these trappers and fishermen, because of their occupation, find it necessary to travel from one point to another. For instance in the last election we had people normally resident in Fort Providence and Fort Simpson who, because there was not sufficient work available for them, had to move, say, to Great Slave lake to fish for their livelihood. These people normally appear on the voters' lists in the posts or towns in which they reside. I think the situation in the Yukon is also different; people are nomadic and move from point to point in order to make their living; they had to go say from Whitehorse to Carmacks or to the United Keno mine, or some other part of the Yukon in order to make their living and so were disenfranchised. When they went to the polling booth the returning officer or his deputy would know that they were residents of long standing in the Yukon in the majority of cases and he would allow them to vote. He knew they passed the residence qualifications but, when the matter came before the courts, approximately 500 votes of a total of 5,000 registered in the Yukon were thrown out. In other words 10 per cent of those people who did cast their votes—there were many others who did not—by the actions of the courts in charge in the Yukon were disenfranchised.

Now I think hon. members will agree that 10 per cent of the people who actually vote is a very high proportion of the total figure in any constituency. I would like to suggest to the minister that with respect to the Yukon and the Northwest Territories special provision should be made.

The Chairman: I will call it six o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the leader what will be the order of business tomorrow.

Mr. Green: Tomorrow, Mr. Speaker, we shall continue with these estimates and then take the estimates of mines and technical surveys, veterans affairs, fisheries and justice.

Mr. Chevrier: In that order?

Mr. Green: In that order.

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:

CHINESE IMMIGRATION

Question No. 114—**Mr. Pickersgill:**

1. Has any change been made in the procedure for dealing with Chinese immigration applications since June 21, 1957?

2. If so, when was such change made and what is its effect?

3. How many applications for the admission of Chinese as immigrants have been received since June 21, 1957?

4. How many applications for Chinese have been (a) refused; (b) approved since June 21, 1957?

5. How many such applications are still pending?

Answer by: **Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration):**

1. No.

2. Not applicable.

3. 688.

4. (a) 14; (b) 544.

5. 209.

SALES TAX ON PANSIES

Question No. 140—**Mr. Huffman:**

1. Have any changes taken place since January 1, 1957, in respect to sales tax on pansies as grown by nurseries for home consumption?

2. If so, what is the nature of the changes and the date on which same took effect?

3. Have any refunds been made during the past year to nursery firms or individual growers of pansies in respect to sales tax previously paid?

4. If so, what are the names, addresses and amounts thereof?

5. Are pansies considered as nursery stock and if so, exempt from sales tax?

6. What is the regulation governing the refund of money paid in error?

7. Is there a time limit in which to make claim for refund?

Answer by: **Hon. G. C. Nowlan (Minister of National Revenue):**

1. Yes.

2. Exemption from sales tax by reversal of ruling re classification of pansies as nursery stock and by budget resolution providing exemption for "potted, flowering or bedding plants . . .", effective March 15, 1957.

3. Yes.

4. It is contrary to the established practice to disclose any information which would divulge the business of individual taxpayers. The Department of National Revenue had held for some years that pansies were not nursery stock but changed its ruling in the light of conflicting expert advice. One company had consistently opposed the payment of sales tax on the grounds that pansies were nursery stock and, having paid under protest, were entitled under the law when the ruling was changed to a refund of $207.48. For greater certainty the statutory exemption referred to in 2 was approved by parliament.

5. Yes, also under the exempting provision for "bedding plants".

6. Section 46, subsection (6) of the Excise Tax Act.

7. Yes, two years from the date of application to the department in writing.

SUCCESSION DUTY COLLECTIONS, 1956-57

Question No. 161—**Mr. Christian:**

With respect to the years 1956 and 1957, how do the amount of moneys collected under the succession duty act, as of October 31, 1957, compare to those collected as of October 31, 1956, giving figures?

Answer by: **Hon. G. C. Nowlan (Minister of National Revenue):**

In the first seven months of each of the fiscal years 1956-57 and 1957-58, the total amounts of dominion succession duty collected were, respectively, as follows:—

Fiscal Year	
1956-57 (7 months)	$53,028,777.07
1957-58 (7 months)	$41,611,693.01

UNEMPLOYMENT INSURANCE APPEAL BOARD, MONCTON, N.B.

Question No. 164—**Mr. Murphy (Westmorland):**

1. Who are the members of the appeal board, unemployment insurance commission, Moncton, New Brunswick?

2. How often do they sit?

3. What pay do they receive?

4. How many decisions have they given since the board became operative in 1940?

5. How many decisions upheld the insurance officers decision?

6. How many decisions were given in favour of the employee, for each of the years from the time the board was set up to the the present date?

7. How many appeals were taken from the Moncton board to the umpire in each of the years?

Answer by: **Hon. Michael Starr (Minister of Labour):**

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1. Chairman	Employer Rep.	Insured Person Rep.
L. D. Wadman	R. D. Bannon	G. W. Myles
	W. C. Cosman	W. Touchie
	C. I. Mills	E. McAllister

2. See below.

3. Chairmen receive $35 for a full day's sitting, and $22 for a part sitting. Panel members receive $25 for a full sitting, and $16 for a part sitting.

Questions

4, 5, and 6. The information requested is shown in the attached table. Detailed statistics for periods prior to 1951 are not available.

	1951	1952	1953	1954	1955	1956	3 qtrs. only 1957
1. Part sittings held ...	25	3	5	1	13	8	11
2. Full sittings held ...	Nil	16	10	15	6	6	2
3. Number of appeals ..	181	135	111	90	179	141	148
4. No. of appeals disallowed	172	131	101	83	172	137	134
5. No. of appeals allowed	9	4	10	7	7	4	14
7. Number of appeals taken to umpire	9	1	1	2	0	1	1

UNEMPLOYMENT ASSISTANCE ACT, ONT.

Question No. 177—**Mr. Martin (Essex East):**

1. Have there been discussions between the Minister of National Health and Welfare and any member of the government of the province of Ontario, regarding participation by the province of Ontario in the Unemployment Assistance Act of 1956?

2. Has the government of the province of Ontario indicated to the government its intention to take advantage of the Unemployment Assistance Act of 1956?

Answer by: **Hon. J. W. Monteith (Minister of National Health and Welfare):**

1. Yes.

2. The matter is currently under discussion.

FEDERAL BUILDING CONSTRUCTION, NEWCASTLE, N.B.

Question No. 178—**Mr. McWilliam:**

1. Have steps been taken to begin construction of the federal public building at Newcastle, New Brunswick?

2. Was a change made in the site of the building?

3. If so, of what nature?

4. Did it entail much change in plans and specifications?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Yes.

2. Yes.

3. The town officials made available a 10-foot strip of land to the rear of the crown site and it was therefore possible to meet their request that the building be set back 10 feet from its planned position to help traffic conditions.

4. No.

[The following items were passed in committee of supply]:

DEPARTMENT OF THE SECRETARY OF STATE

Public printing and stationery—

346. Departmental administration $561,934.

347. Purchasing, stationery and stores, $1,175,114.

348. Distribution of official documents, $337,520.

349. Printing and binding official publications for sale and distribution to departments and the public, $570,000.

350. Printing of Canada Gazette, $110,000.

351. Printing and binding the annual statutes, $35,000.

352. Plant equipment and replacements, $562,198.

406. Departmental administration, $264,655.

407. Companies division, $104,860.

408. Trade marks division, including a contribution of $3,800 to the international office for protection of industrial property, $182,490.

409. Bureau for translations, $1,331,100.

Patent and copyright office—

410. Administration division, $122,670.

411. Patent division, $1,582,890.

412. Copyright and industrial designs division, including a contribution of $2,100 to the union office for the protection of literary and artistic works, $28,535.

Special—

413. To provide for special expenditure in connection with a commission under the Inquiries Act to inquire into the working of the Patent Act, the Copyright Act, the Industrial Designs Act and other related legislation, $17,300.

Public printing and stationery—

727. Plant equipment and replacements—further amount required, $148,774.

APPENDIX "A"

ANSWER TO QUESTION ASKED BY MEMBER FOR PORT ARTHUR

The answer to the above question is as follows:

1. Corporations are in default of filing, in the years indicated, the annual summaries under section 125 of the Companies Act as follows:

Year	Public Companies	Private Companies	Corporations without share capital	total
1955	57	158	16	231
1956	53	161	3	217
1957	287	893	31	1211

When a corporation is in default of filing annual summaries under section 125 for the current year, the department sends it a notice so advising.

When a corporation is in default of filing such annual summaries for three years, a registered notice is mailed to the corporation and, if no response is received, the company may be deemed not to be a subsisting corporation and no longer entitled to the sole use of its corporate name.

Such registered notices are being mailed to the 231 corporations, both public and private and without share capital, which are in default to file the annual summaries in the years 1955, 1956, and 1957 and, if no response is received, a further notice will be sent advising each company that it is deemed not to be subsisting.

A similar procedure will be followed in 1958 with respect to such corporations as are in default to file annual summaries for the years 1956, 1957 and 1958; also in 1959 with respect to such corporations as are in default for 1957, 1958 and 1959.

In order to specify the number of corporations on which the said penalty for three years' default was imposed in 1955 and in 1956 a considerable period of time would be required, since an individual examination of approximately 12,000 files would be involved.

2. See answer to No. 1.

3. It is for the Department of the Secretary of State to bring to the attention of the Department of Justice, for consideration and such action as is warranted, any case where a prosecution may appear to be in order. The Department of Justice Act, R.S.C. (1952) chapter 71, entrusts the Attorney General of Canada with "the regulation and conduct of all litigation for or against the crown or any public department, in respect of any subject within the authority or jurisdiction of Canada".

4. None.

APPENDIX "B"

ANSWER TO QUESTION ASKED BY MEMBER FOR GLOUCESTER

(1)

APRIL 1, 1956-MARCH 31, 1957

	Loans	Units	Amount	Average Loan
New Brunswick	409	415	$ 4,034,833	$ 9,865
Corporation loans	21	21	178,988	8,523
Insured loans	388	394	3,855,845	9,938
Nova Scotia	519	565	5,513,550	10,623
Corporation loans	24	24	192,376	8,016
Insured loans	495	541	5,321,174	10,750
TOTAL	928	980	9,548,383	

(2)

APRIL 1, 1957-OCTOBER 31, 1957

	Loans	Units	Amount	Average Loan
New Brunswick	377	445	$ 3,916,982	$ 10,389
Corporation loans	28	28	241,424	8,622
Insured loans	349	417	3,675,558	10,532
Nova Scotia	377	394	4,007,353	10,629
Corporation loans	30	30	255,306	8,510
Insured loans	347	364	3,752,047	10,813
TOTAL	754	839	7,924,335	

(3) Answered by Nos. 1 and 2.

HOUSE OF COMMONS

Thursday, November 21, 1957

The house met at 2.30 p.m.

PRIVILEGE

MR. LESAGE—ANSWER TO STARRED QUESTION NO. 29 BY MINISTER OF LABOUR

Hon. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, I rise on a question of privilege. Yesterday afternoon the Minister of Labour said, in answer to a starred question of mine, that the latest date for which data have been published regarding unemployment in Canada was September 19, 1957. On that very same day, yesterday, at ten o'clock in the morning, the press of the country already had in their hands for release at that time a press communique from the Department of Labour giving the figures of unemployment for October 17, 1957. It is clear, sir, that yesterday afternoon the Minister of Labour refused to give to this house information which he had already given to the press of the country.

Some hon. Members: Oh, oh.

Mr. Fleming: Shame.

Mr. Lesage: This, sir, is certainly additional evidence of the contempt which this government holds for parliament.

Mr. Speaker: Order. I am not sure that I understand the question of privilege which the hon. member is making.

Mr. Fleming: There is no question of privilege.

Mr. Lesage: Mr. Speaker, it is a very clear one, I believe. Yesterday afternoon I was refused information which had already been given to the press of the country in the morning.

Mr. Speaker: I understand what the hon. member has said, but in what way does he allege that the privileges of the house are infringed?

Mr. Lesage: With all due respect, sir, in answer to the question I asked the Minister of Labour said yesterday afternoon that the information as for September 19 was the latest information available, when he had already given information to the press in the morning as for October 17.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, in answer to the hon member for Montmagny-L'Islet may I say—

Mr. Speaker: Order. I am not sure that this is a matter to be debated in the house. It seems to me that if there is a question of privilege it is in the hands of the house to refer the matter to the appropriate committee to deal with it. I do not want to have a debate on the rights or wrongs of what a member has done. It seems to me that if there is a charge made against a member of the house it would have to be supported by a motion and referred to the appropriate committee.

Mr. Coldwell: Might the minister not have a reply to make immediately which perhaps, with due respect, he might be permitted to make?

Mr. Speaker: If it is the pleasure of the house to proceed to hear the minister, very well.

Mr. Starr: Mr. Speaker, the hon. member for Montmagny-L'Islet asked in a starred question yesterday for the number of unemployed registered at national employment offices in Quebec, Canada and Montmagny. The figures released yesterday are released by the Department of Labour and the dominion bureau of statistics.

Yesterday the hon. member rose on a question of privilege to protest against certain figures which I supplied in answer to starred question No. 29. The hon. member's objection was that more recent figures were available than those provided, which were for September 21. I now wish to give the figures for registrations at the national employment service on November 7, which was not the date specified by the hon. member, it being November 1.

At the same time I should point out that these figures include a number of categories which extend beyond the definition of persons without jobs and seeking work, which is the basis of the dominion bureau of statistics figure. Registrations at national employment offices are derived from a count of applications on hand in every office at the close of business on a specified day. The count excludes registrations from persons known to have jobs and applying for other ones. Measures are taken to exclude persons who have secured work on their own since registration.

Nevertheless, I am informed that the figures inevitably include a number of persons who had found employment or who had left the labour force when the count was made. Although not all persons looking for work register at national employment service offices, all those who are seeking unemployment benefits, regardless of the length of time for which they may be out of work, must register for work.

Thus, Mr. Speaker, taken as a measure of unemployment, which was what the hon. member requested, these figures do not have the authority of the official dominion bureau of statistics figures of persons out of work and seeking jobs. For that reason they are not published as official unemployment figures.

In this connection I might add that it was the previous policy, as I imagine the hon. member is well aware, to release figures of national employment service registrations only for the dates specified in the official dominion bureau of statistics release. I have decided to change this policy, on the principle that hon. members of this house are entitled to any information which it is within the power of my department to provide. Therefore I will give the figures the hon. member requested, and better; I shall give them for November 7, 1957, as compared with November 8, 1956: for Canada, in 1957, 327,388; for November 8, 1956, 188,362; for the Quebec region, 1957, on the same date, 90,853; for November 8, 1956, 52,258; for Montmagny, November 7, 1957, 948; for November 8, 1956, 356. In the event the hon. member is interested, the figure for June of this year was 1,112.

Some hon. Members: Oh, oh.

Mr. Sinclair: Are you applauding 300,000 unemployed?

Mr. Speaker: Since this matter was raised on a question of privilege may I ask whether, in view of the statement which has been made by the minister, the hon. member feels that the question of privilege has been satisfied?

Mr. Lesage: I am satisfied that the figures given indicate that we have been right in claiming there is a great increase in unemployment.

Mr. Starr: Unemployment in your town was worse in June.

Mr. Fleming: Does the hon. member not wish to apologize now for what he said earlier?

Mr. Sinclair: You should apologize for 320,000 unemployed.

[Mr. Starr.]

Mr. Speaker: Order. May I say to the house that there is some confusion between what is a question of privilege and what is a point of order. In my opinion, when a member raises a question of the infringement of the privileges of the house it is a matter that is then placed before the house for action. The explanation should be satisfactory and the matter dropped, or it should be taken up by the house and referred to the appropriate committee. For future guidance of members I would ask them to bear in mind that the use of the privilege of the house is, to my mind, a serious matter.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, November 21, 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 21st November, at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
J. F. Delaute,
Secretary to the Governor General
(Administrative)

BUSINESS OF THE HOUSE

INQUIRY AS TO SETTING UP OF ESTIMATES COMMITTEE

On the orders of the day:

Right Hon. L. S. St. Laurent (Leader of the Opposition): Mr. Speaker, may I ask the house leader a question. Has the government reached any decision as to whether or not it will recommend to parliament the setting up of an estimates committee to which the estimates of certain of the departments might be referred?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, it is not the intention of the government to recommend the setting up of such a committee at this session.

Mr. Pickersgill: Why not?

Mr. Green: For the reasons I explained the other day.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question but may I direct it to the senior minister without portfolio, the hon. member for Greenwood. In view of the minister's contention, in an article he wrote a while ago and which appeared in the *Queen's Quarterly*, that the estimates committee should be strengthened and should be

given the power to make its own decision as to what departments should be considered by that committee, may I ask whether he has been pressing these points on his colleagues in the cabinet?

Hon. J. M. Macdonnell (Minister without Portfolio): Mr. Speaker, as I understood the oath I took when I became a junior privy councillor, that is a secret.

REQUEST FOR ANSWERS TO QUESTIONS ON ORDER PAPER

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I would like to ask the Minister of Northern Affairs and National Resources (Mr. Hamilton) or the acting leader of the house whether the government is in a position today to answer starred question No. 37, which the Prime Minister assured me yesterday would be answered before the federal-provincial conference.

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, the Prime Minister is in Montreal this afternoon—

An hon. Member: What is he doing?

Mr. Green: Wishing godspeed to the Canadian trade mission to the United Kingdom.

Some hon. Members: Hear, hear.

An hon. Member: Could he not do that here?

Mr. Green: For that reason he is unable to be in the house until later in the day. When he returns I shall draw to his attention the hon. member's question.

[*Later:*]

Mr. E. G. Hansell (Macleod): Mr. Speaker, I should like to direct a question to the Minister of Public Works, who I believe looks after the house order paper. I placed a question on the order paper on October 22, nearly a month ago, and another one on October 24. Would the minister try to facilitate the answers to those questions? I might help him with respect to the question asked on October 24. It was:

Has the government considered the recommendations of the joint parliamentary committee of 1946 on a design for a distinctive Canadian flag?

Perhaps the minister would consider that question has already been answered. If so, I wonder whether the answer might be printed in *Hansard*. Would he facilitate the answering of these questions?

Mr. Green: I will be very glad to look into these questions and get the answers as quickly as possible.

INQUIRY AS TO LEGISLATION RESPECTING AGRICULTURAL SUPPORT PRICES

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Agriculture or the Minister of Public Works. My question arises out of the serious and continuing drop in the prices of agricultural products. Can either minister assure the house that the resolution on the order paper which foreshadows a bill to support agricultural prices will be brought forward at the earliest possible date?

Hon. Howard C. Green (Minister of Public Works): Yes, it is the intention to proceed with that as soon as possible.

Mr. Argue: Next week, perhaps?

Mr. Green: Well, now, Mr. Speaker, if I could be sure of just what the hon. member's party intends to do with regard to the remaining work of the session I might be able to give the hon. member a more definite answer.

Mr. Argue: In reply I think I can assure the minister that the members of the C.C.F. group would be prepared to discuss this resolution next week.

LABOUR CONDITIONS

BRITISH COLUMBIA—FURTHER STATEMENT ON REPORTED CLOSING DOWN OF HOWE SOUND COMPANY

On the orders of the day:

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I should like to direct a question to the Minister of Justice. Has the minister any further information to give to the house with regard to developments at the Britannia mine?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I am glad to be able to report to the hon. member in reply to his question and to the house on the course of discussions which I have held in this connection.

I should like, first of all, to express appreciation of the fact that when they learned of the desire of the government to explore the possibility of keeping the Britannia mine in operation, the management decided to defer their decision on closure of the mine which otherwise would have taken place on November 19. As a result it became possible to explore the situation with some hope of success, and I know that this is appreciated by all parties concerned as well as by the government.

In Vancouver recently I had discussions with the mine management, at which time the implications of various alternative proposals were studied. I also had discussions with the union leaders. I proceeded to Victoria on Wednesday, where I had discussions with the provincial ministers chiefly concerned in the matter. At these last discussions the possibility of joint action on one or more of the various potential alternatives was explored. These discussions were most helpful.

I returned to Ottawa this morning and have made a preliminary report to my colleagues. The situation now is that this report is to be considered further, and further discussions are to be held here with company officials by whom the eventual decision, so far as the company is concerned, will have to be made. During these discussions the proposals which seem to have emerged from the earlier talks as having the greatest appeal and practicability will be further explored, together of course with any proposals or alternatives which may be advanced by the company.

It will be appreciated that in discussions of this kind, in which the dominion and provincial governments take part and in which a company and its men are directly involved, it is necessary to proceed by stages, with the result that it is not always possible to reach agreement or decision quickly. However, I wish to assure the house that this government is pursuing the matter just as vigorously as possible and is prepared to consider all practicable alternatives which may have a chance of forestalling the closure of the mine at this time.

Mr. W. H. McMillan (Welland): I should like to ask a supplementary question of the Minister of Justice in view of his statement. Does any action taken by this government in connection with the Britannia mine apply equally to any other copper or base metal mines closing down or about to close down because of the low price of base metals?

Mr. Fulton: I am not in a position to answer that question because no decision has yet been taken as to what, if any, action lies open to us in the case of the Britannia mine.

Mr. Martin (Essex East): No decision will be taken.

LAUNCHING OF SPECIAL PUBLIC WORKS PROGRAM TO ALLEVIATE UNEMPLOYMENT

On the orders of the day:

Mr. Maurice Bourget (Levis): Mr. Speaker, may I direct a question to the Minister of Public Works of which I thought notice was not necessary. Can he tell the house whether it is the intention of the government to launch now a special program of public works across Canada to alleviate the very serious unemployment situation?

Hon. Howard C. Green (Minister of Public Works): Well, I have no intention of launching an over-all program of public works across Canada because, as the hon. member well knows in view of his experience as a parliamentary assistant to the former minister of public works, that is quite impossible. If his government had left us a nice big program of public works on the shelf which could have been built up that might have been possible.

Mr. Sinclair: We had it right in the estimates.

Mr. Green: But such is not the case. We are taking every possible step to further development works across the country.

Mr. Bourget: On a question of privilege, the answer given by the minister was lengthy and I am entitled to tell him that if he will look—

Mr. Speaker: Order. The hon. member is in order in raising a point of order but if he goes on, as he appears to wish to do, to tell the minister something I am afraid that goes beyond a point of order.

Mr. Bourget: Mr. Speaker, I just wanted to point out that every time—

Some hon. Members: Order.

Mr. Speaker: Order. It is not in order for the hon. member to do that. If he wishes to raise a point of order on what the minister just said I will hear him; otherwise I think he should not pursue the matter.

Mr. Bourget: May I suggest—

Some hon. Members: No.

Mr. Bourget: May I ask the Minister of Public Works to look on the other shelf and he will probably find some projects which had been prepared by the previous government.

Mr. Green: Mr. Speaker, in reply may I say I have looked on all the shelves and under all the beds. We are going to do everything that can possibly be done in view of what had previously been done.

Mr. McIlraith: I can give you the names of buildings in the Ottawa area.

Mr. Pickersgill: Mr. Speaker—

Mr. Speaker: If it is a supplementary question I will hear it now. I tried to recognize the hon. member for Essex East. The hon. member for Bonavista-Twillingate.

Mr. Pickersgill: I have a supplementary question for the minister. In that case, can he get on with the post office at Wesleyville, which was in this year's program and which has not yet been started?

Mr. Green: Mr. Speaker, I will be very glad to make inquiries about this post office.

Mr. Pickersgill: I would like you to get on with it.

DOMINION-PROVINCIAL CONFERENCE

INQUIRY AS TO LETTER FROM PREMIER OF MANITOBA

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I might ask the house leader, in his capacity as Acting Prime Minister, if he is in a position today to table the letter from the premier of Manitoba which the Prime Minister two days ago undertook to table?

Hon. Howard C. Green (Acting Prime Minister): No, Mr. Speaker, I am not in a position to do that, but I am sure the Prime Minister will also take care of that request at the earliest possible moment.

[*Later:*]

Mr. Pickersgill: Mr. Speaker, I wonder whether I may ask the house leader a question. Since I asked my question my attention has been drawn to the fact that the letter in question and one from the Prime Minister were tabled in the house yesterday, according to *Votes and Proceedings*. I wonder whether the usual custom of having them printed as an appendix to today's *Hansard* could be followed, as was done with all the other correspondence from the provincial premiers?

Mr. Green: I have no objection to that course being followed.

Mr. Speaker: Does the house give its consent to the printing of those letters as an appendix to today's *Hansard*?

Some hon. Members: Agreed.

[*For text of letters referred to above, see appendix, pages 1403-04.*]

PUBLIC BUILDINGS

OTTAWA—REQUEST FOR COMMENCEMENT OF CONSTRUCTION TO ALLEVIATE UNEMPLOYMENT

On the orders of the day:

Mr. J. O. Gour (Russell): I would like to direct a few questions to the Minister of Labour.

As the minister is aware, and as we are all aware, unemployment is increasing every day; and in view of the fact that he indicated yesterday that he would be pleased to do everything possible to provide more work, would he be in favour of using his influence to wake up the Minister of Public Works (Mr. Green) so that he may begin to build at once the post office and public works headquarters, in addition to the three or four government buildings which are being considered as projects on Riverside drive and around Hogs Back.

Second, as the defence of the country is of the greatest importance at the present time, partly in view of the development of the Russian satellites—

Some hon. Members: Question.

An hon. Member: Order paper.

Mr. Gour: Could the Minister of National Defence (Mr. Pearkes)—

Some hon. Members: Order.

An hon. Member: Be a little more patient.

An hon. Member: We have had plenty of opportunity for exercising patience.

Mr. Gour: —be persuaded by the Minister of Labour (Mr. Starr) to begin early next spring the construction of the pentagon project on the government owned land divided by Donald street and lying partly in Eastview and partly in the city of Ottawa?

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I think perhaps I have allowed the hon. member to go beyond his proper scope in asking more than one question. He has already asked two questions, and I would ask him to leave it at that until we see whether answers are forthcoming to those questions.

Mr. Gour: I did say I had a few questions, not only one.

Mr. Speaker: I have asked the hon. member to leave it at that, and that is my ruling.

Hon. Michael Starr (Minister of Labour): In reply to the questions already asked and to the others that have not been asked I want to say that the ministers mentioned in these questions to my knowledge are wide awake and fully aware of the circumstances. They are doing their very utmost, again to my knowledge, to bring about these things which the hon. member sets out, and are giving them very serious consideration in order to alleviate the problem mentioned by the hon. member.

Mr. Gour: Thank you. I hope the minister will follow the two other suggestions.

Mr. Speaker: Perhaps the hon. member would be content to put them on the order paper.

Mr. Gour: I would.

Inquiries of the Ministry

FISHERIES

FRASER RIVER—REOPENING OF AREA BETWEEN PATTULLO-MISSION BRIDGES

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 Fisheries. Would the minister indicate what progress, if any, has been achieved toward deciding whether the area between Pattullo bridge and Mission bridge on the Fraser river will be reopened to fishing, as requested by fishermen in the area?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I want to thank the hon. member for having given me notice of his intention to ask this question. The salmon fishing season has just closed on the Pacific coast, as the hon. member is no doubt aware. A review of the situation above Pattullo bridge on the Fraser river is now under way. Final decision must await thorough study of all information. I may say further that a review of the whole situation will have been completed well in advance of the next fishing season.

NATIONAL DEFENCE

REFERENCE TO REPORT CUT UNLIKELY IN EXPENDITURES

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 a report in the Montreal *Gazette* this morning headed "Defence Cut-back Unlikely", could the minister confirm to this house that this report is true?

Hon. G. R. Pearkes (Minister of National Defence): I have not seen the report referred to; therefore I cannot confirm or deny it.

Mr. Robichaud: A supplementary question. It is mentioned in this report that if the estimates are lower than those presented by the Liberals earlier this year the reduction will be very slight. Is this true?

Mr. Pearkes: That information will be given when my estimates are brought before the house.

U.S.-CANADA—INQUIRY AS TO POWER TO COMMIT CANADIAN PILOTS

On the orders of the day:

Mr. W. J. Henderson (Kingston): Mr. Speaker, may I direct a question to the Minister of National Defence. This is further to a question I asked and an answer I received on November 6 with respect to the United States-Canada joint air defence command.

[Mr. Gour.]

My question is this. If there were an immediate attack by air over the Arctic by an aggressor, can the Canadian government commit Canadian fighters being put into the air without consultation with, or direction from, General Partridge?

Hon. G. R. Pearkes (Minister of National Defence): I think, Mr. Speaker, that is rather a hypothetical question; but at the same time plans have been discussed with General Partridge at integrated headquarters and are being evolved to meet a number of circumstances, and it would be a matter of only a very few minutes to obtain confirmation of the decisions that have already been made.

Mr. Henderson: A supplementary question; I am afraid the minister did not understand me. My question was, if there is an attack now over the Arctic by an aggressor, can the Canadian government commit Canadian fighters being put into the air without consultation with, or direction from, General Partridge?

Mr. Pearkes: There certainly would be consultation with General Partridge and it would be a mutual effort between the two countries, because both countries would be involved if there were hostile bombers crossing the Canadian Arctic.

Mr. M. J. Coldwell (Rosetown-Biggar): Has the minister seen the statement made by Mr. Dulles yesterday in Chicago, in which he said in the event of a planned attack the officers in the field would take immediate action without consultation with the governments?

Mr. Pearkes: Yes; I believe that he was referring to operations in Europe.

Mr. Coldwell: Does that apply here?

USE OF CANADIAN BASES BY U.S. PLANES

On the orders of the day:

Hon. L. B. Pearson (Algoma East): Mr. Speaker, I should like to direct a question to the Minister of National Defence on the same subject. In view of the statement reported today by the United Kingdom minister of defence that United States planes cannot use bases in Britain for military operations without first obtaining the consent of the British government, will the minister state whether the same policy is in force with respect to possible United States action from bases on Canadian soil?

Hon. G. R. Pearkes (Minister of National Defence): I will take that question as notice.

FINANCE

BANK OF CANADA—ALLEGED RELAXATION OF MONETARY RESTRICTIONS

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, may I direct a question to the Minister of Justice. Yesterday, in his absence, I put a question to the Minister of Finance about a C.B.C. report of a speech made by the Minister of Justice at the University of British Columbia. The Minister of Finance pleaded ignorance of what was in the mind of the Minister of Justice—

Mr. Fleming: No, he did not.

Mr. Sinclair: Now I should like to ask the Minister of Justice what are these definite steps which have been taken by a Conservative government to relax monetary restrictions of the Bank of Canada.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I have not seen the dispatch on which the C.B.C. news story is based, but I understand it was a report of a speech which I made at the University of British Columbia on Tuesday. In the course of that speech I said the government had been moving in the matter of monetary policy and credit restrictions ever since we took office. I outlined the various measures we have taken, including the provision of $150 million of new credit for housing loans. I also pointed out that there had been continuous review of monetary policies and discussions with the Bank of Canada with regard to credit restrictions and monetary policy generally.

I emphasized that the results of these discussions, and of the policies followed by this government since taking office, were now becoming evident in the reductions in interest rates which have been reported recently and which should do much to create an economic climate in which the restrictive trends initiated by the previous government would be reversed, and the Canadian economy could move forward again on that sound program of expansion which is the goal of this government.

Mr. Sinclair: I can understand, now, the ignorance of the Minister of Finance yesterday.

[*Later:*]

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to direct a supplementary question to the Minister of Justice. I noted his reply that the government is taking measures to relax the tight money policy, and he cited as one of the methods the $150 million made available for housing. However, I should like to ask him, in view of the fact that the only method other than the one he mentioned that the public of Canada have noticed has been the rise in the interest rates—

Mr. Speaker: Order. The hon. member is not asking a question. He is proceeding to make a statement about what the public of Canada understands. I would appreciate it if he would only state the facts necessary to the asking of his question.

Mr. Regier: Is the raising of interest rates on government bonds and on N.H.A. housing the government's method of making more investment money available?

Mr. Fulton: I think in reply I must say that there are too many misstatements of fact as a preface to the question to allow me to reply to it.

UNEMPLOYMENT INSURANCE

EXTENSION OF PERIOD OF BENEFITS TO UNEMPLOYED

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. In view of the serious unemployment situation as indicated by the release which was issued yesterday, can the minister say whether the government will give consideration to amending the Unemployment Insurance Act to extend the period during which seasonal or supplementary benefits are available?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, this matter is being given very serious consideration and I expect to have some indication of our decision in a matter of days.

Hon. Paul Martin (Essex East): A supplementary question. Is there not already before us the intention of the government to bring forward a measure dealing with some aspect of the question put by the hon. member for Winnipeg North Centre?

Mr. Starr: I see nothing on the order paper, sir.

Mr. Knowles (Winnipeg North Centre): We trust it will be soon.

INDUSTRY

REQUEST THAT CANADIAN FIRMS PLACE CONTRACTS IN CANADA

On the orders of the day:

Mr. T. J. Irwin (Burnaby-Richmond): Mr. Speaker, I wish to ask a question of the

Minister of Labour; I am sorry that I have not given him notice of this, but he may take this question as notice if he wishes. Whereas the British Columbia Electric Company Limited has placed a contract for transmission towers with an Italian firm; and whereas the construction of these towers would have given employment to many British Columbia workers for a protracted period—

Some hon. Members: Question.

Mr. Irwin: Keep your ears open and you will hear it. Will the Canadian government take steps to urge Canadian companies to place contracts such as the foregoing in Canada even at an advanced cost?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I will have to take this question as notice.

PARLIAMENT HILL

INQUIRY AS TO PERMANENT ILLUMINATION FOR BUILDINGS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Minister of Public Works. It is not of earth-shaking consequence but it is of interest to all members of the house. As an electrician by trade I have noticed the beautiful effect of outside lighting on the parliament buildings, and I have heard most commendable comments by Ottawa residents and tourists. Will the minister say how long the temporary lighting will be continued; and will he give favourable consideration to making the necessary installations of an architectural nature so as to place the illumination on a permanent basis?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, the members of the government, like the hon. member for Vancouver East, have been very favourably impressed by the lighting arrangements outside the building, and it is for that reason that the lights have been kept on since the departure of Her Majesty. We are now investigating what the cost would be for lighting the building in a similar way on a permanent basis, or at least while the house is in session.

HARBOURS

PORT COLBORNE, ONT.—INQUIRY AS TO DISCONTINUANCE OF PROPOSED IMPROVEMENTS

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Public Works, of which I have sent him notice. Are certain proposed improvements to the Port Colborne harbour and installations, as provided in the estimates of 1957-58, being discontinued? If so, why is this being done?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I thank the hon. member for giving me notice of his question. The fact is that these improvements have not been discontinued, because all the work which was proposed in the 1957-58 estimates has already been completed.

RONDEAU, ONT.—INQUIRY AS TO TENDERS FOR CONSTRUCTION

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, of which I have sent notice. Were tenders called for the construction of a boat harbour at Rondeau, Ontario, and, if so, how many tenders were received?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, may I suggest with great respect that these are questions which clearly should be put on the order paper. I have the answer here but I suggest this is not the time to give it.

Mr. Pickersgill: May I ask a supplementary question. Is this not the clearest indication of why we should have an estimates committee?

Mr. Green: No, Mr. Speaker, I do not think it has anything whatever to do with an estimates committee.

Mr. Gauthier (Portneuf): Because you don't want to have one.

TRADE

MISSION TO UNITED KINGDOM—MATTERS TO BE DISCUSSED

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I wonder whether I could ask the Minister of Finance a question. In view of the absence from the house of the Prime Minister under the circumstances mentioned by the Minister of Public Works, and the departure today for the United Kingdom of the Minister of Trade and Commerce, can the Minister of Finance tell us now what is the answer to the questions put to the Minister of Trade and Commerce the other day with respect to whether or not the government has decided to instruct him to carry on conversations with members of the government of the United Kingdom with regard, first of all, to the Canadian Prime Minister's proposal for a 15 per cent shift in Canadian purchases from the United States

to the United Kingdom, and also the proposal made by Her Majesty's government for a free trade area between Canada and the United Kingdom?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I shall be glad to have a look at the questions to which the hon. member has referred.

Mr. Martin (Essex East): Will my hon. friend be able to give us an answer before the Minister of Trade and Commerce returns from the United Kingdom?

Mr. Fleming: If the questions admit of such answer.

MARMALADE—REPORTED MISUSE OF "PRODUCT OF CANADA" LABEL

On the orders of the day:

Mr. G. W. McLeod (Okanagan-Revelstoke): Mr. Speaker, I have a question for the Minister of Agriculture. I understand that marmalade made from citrus fruit is being sold in Canada under a label designating it "Product of Canada". Is this not a violation of regulations of the department governing the country of origin, and if such is the case will the department take action to curb this unfair practice?

Hon. D. S. Harkness (Minister of Agriculture): I thank the hon. member for giving me notice of his intention to ask this question. Marmalade made from citrus fruit and labelled "Product of Canada", when sold in Canada, would be in violation of the regulations with respect to processed fruits and vegetables as administered by the Department of Agriculture. Under such regulations labels must be submitted to the department for approval. If the hon. member will let me know the identity of the labels to which he refers my department will look into the matter immediately and take appropriate action.

Mr. McLeod: I shall be glad to do so.

PUBLIC WORKS

MONTREAL—PROPOSED NUNS' ISLAND CAUSEWAY

On the orders of the day:

Mr. M. W. Martin (Timmins): I should like to direct a question to the Minister of Transport. Has the minister received representations from any group or groups opposed to the building of the causeway between Verdun and Nuns' island and, if so, from what group or groups?

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. I have received no such representations.

UNITED NATIONS

PROPOSED INCREASE IN TECHNICAL ASSISTANCE BUDGET

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I have a question for the Secretary of State for External Affairs, notice of which was sent to his office, but in his absence I wonder whether I might direct it to the acting minister or perhaps to the Minister of Finance. My question arises out of the important and humanitarian proposal made by the United States that the United Nations technical assistance budget be increased from $30 million to $100 million. Is the minister in a position to assure the Canadian people that the government is supporting this worth-while proposal?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, this is only one of a number of suggestions dealing broadly with this whole field that are under consideration at the United Nations at the present time. I think the hon. member can be assured that the Canadian government is deeply interested in any enterprise of this kind and will certainly give to this and any other proposal serious consideration.

Mr. Argue: And support?

Mr. Fleming: It depends upon their details and on what may be the best way of handling these problems, because there are various suggestions being put forward broadly in regard to this subject at the present time.

Mr. Argue: Do I take it from the minister's answer that Canada is supporting a general expansion in this field—in appropriate ways, of course?

Mr. Fleming: I do not think I can go beyond the statement I have made today. This matter will continue, and I am sure there will be ample opportunity to discuss it as the situation develops at the United Nations.

FAO—REQUEST FOR TABLING OF SPEECH BY MINISTER OF AGRICULTURE

On the orders of the day:

Mr. W. A. Tucker (Rosthern): May I ask the Minister of Agriculture if he has been able to find out yet what he said in his speech at the meeting of FAO in Rome? If he has been able to find out what he did say, will he now table that speech?

Inquiries of the Ministry

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I was never in any doubt about what I said. The hon. member for Rosthern seems to be in considerable doubt. He asked me to table a copy of the speech. When he made the request a few days ago I told him that I did not have a copy of the speech available here, and that I would ask the delegation in Rome to send me a copy if they had one. That request has gone forward to the delegation at Rome, but we have not yet received the speech.

Mr. Sinclair: They threw it away.

Mr. Harkness: When it does arrive I will, as I said before, be delighted to table it for the edification of the hon. member.

Mr. Pickersgill: What is wrong with the Minister of Public Works' push buttons?

NATURAL RESOURCES

QUEBEC—INQUIRY AS TO DEVELOPMENT POLICY

On the orders of the day:

Mr. Maurice Breton (Joliette-L'Assomption-Montcalm): I should like to direct a question to the Minister of Labour. Naturally if we had a translation system I would be much more pleased to speak in French, but I will do my best in English. In view of the fact that the government is proposing to spend money in Saskatchewan, British Columbia and the maritimes on natural resources, does the minister contemplate also the spending of money in Quebec on natural resources?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I think I understood the hon. member to say "Minister of Labour"?

Mr. Breton: I meant the Minister of Public Works.

Hon. Howard C. Green (Minister of Public Works): I think the hon. member said "Minister of Labour". However, the answer to his question was given quite fully by the Prime Minister the other day, when he was asked a similar question.

POWER

DISPOSITION OF DOWNSTREAM BENEFITS IN INTERNATIONAL WATERWAYS

On the orders of the day:

Mr. G. W. McLeod (Okanagan-Revelstoke): I have a question to direct to the Secretary of State for External Affairs. Since he is not in the house, I believe the Prime Minister usually acts in these cases. Is the present Canadian ambassador to the United States continuing the efforts of his predecessor to have the question of downstream benefits on international rivers considered a top priority problem for settlement with the United States? Could we have an up to date report on the progress, if any, that has been made?

Hon. Howard C. Green (Acting Prime Minister): I believe this question was sent to the Prime Minister's office before the house opened this afternoon, and answers are being prepared. They will be given to the hon. member as soon as possible.

IMMIGRATION

EDDIE CALLAHAN—REPORTED ISSUANCE OF DEPORTATION ORDER

On the orders of the day:

Hon. Lionel Chevrier (Laurier): In the absence of the Acting Minister of Citizenship and Immigration on Tuesday I asked a question as to whether a deportation order served upon an individual in the city of Montreal would become effective before the case was tried in the courts of that city. The parliamentary assistant was good enough to give me an answer, which was good so far as it went, but I wonder if the minister would not now give assurance to the house that the order will not become effective until such time as the trial has taken place.

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): Mr. Speaker, my attention was directed, as I came into the house, to the question asked by the hon. member on Tuesday. I have not, therefore, been able to get the particulars as yet; but I think I can state with certainty that the policy in cases of this kind is not to take action to enforce a deportation order until the criminal trial has been disposed of. I shall look into the matter further and hope to be able to give the hon. gentleman a specific assurance tomorrow.

SUPPLY

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

OFFICE OF THE CHIEF ELECTORAL OFFICER

60. Salaries and expenses of office, $73,115.

Mrs. Fairclough: Yesterday we had quite a discussion on this item, all of which was very interesting. The members of this house having so recently gone through an election campaign, their knowledge of procedure is fresh in their minds. I found, on reviewing the questions which had been asked and the suggestions which had been made, that they fell into two or three precise categories. With your permission, Mr. Chairman, I will answer a couple of these questions.

I should like to point out that most of the discussion which took place yesterday is the

type of discussion which normally takes place in the committee on privileges and elections. It is not usual for that committee to be set up in the first session after an election, but I expect that in the next session of this parliament that committee will probably come into being; then hon. members will have an excellent opportunity of discussing with the chief electoral officer any of the points which were raised. I might just say, though, with regard to the fee which is allowed for enumerators, that amount was changed last year in an effort to provide a more satisfactory method of enumeration. This matter is now being reviewed by the chief electoral officer, as is the matter of the rate to be paid for the printing of the voters' lists.

With regard to the latter, it was said yesterday by more than one hon. member in this house that the rate was so low it was practically impossible to have the work performed in union shops. I do not know what the union rates are in other parts of Canada, but in my own city the work is performed in union shops. I do not believe, therefore, that particular statement could be taken as a general indication of conditions across the country. Nevertheless, whether the rate is sufficient or not, it is being reviewed by the chief electoral officer, who has the matter under serious consideration.

Most of the other items mentioned were connected with advance polls, courts of revision and so on. There was one statement made which I think calls for an answer. It was a statement by the hon. member for Burnaby-Richmond, I believe, who said it was possible for the armed forces to write on their ballots the name of the party they wished to support rather than the name of the candidate. If I understood the hon. member correctly and that was his statement, then he is misinformed; that is not correct.

Other than that, Mr. Chairman, I think there are no particular points which need to be answered at this time. I would suggest to hon. members that they might save their comments and their experiences and present them to the committee on privileges and elections when it meets next session.

Mr. Hardie: I was speaking at the adjournment hour last night, and I thought I would continue today. In connection with handling elections in northern areas I should like to say, as I think the minister and the house know, that a large number of the people who vote are Indians and Eskimos. These people have their homes. Their homes are usually in the bush. What they call their permanent residence is in the bush, whether it be a log house or a tent, and they have no permanent residence in the villages or towns scattered through the north. They travel around the country trapping, fishing and hunting or working at jobs where there is work available. We also have, of course, a large number of white people who make their living by fishing, trapping, prospecting, logging or who are employed by water transportation companies, air lines or trucking companies. It is natural that these people must be away from their normal place of residence very frequently in pursuing their means of livelihood.

On June 10 last, at one poll at Fort Rae in my riding 74 people voted out of a total number of 221 on the list. At Fort Good Hope 65 voted out of 146 on the list; at Coppermine 24 voted out of 118; at Arctic Red River, 15 out of 46. At Bathurst Inlet I think there were two or three people who voted out of a total number of 50 or 60 on the list. The reason for this, Mr. Chairman, is that, in particular at Fort Rae, Fort Good Hope and Arctic Red River, the people at that time were in the bush. They live in the bush and they were out trapping muskrat and beaver. At Coppermine and Bathurst Inlet, just a short while prior to the election the Eskimos there moved into the barren lands where the cariboo was available.

As I mentioned last night, the handling of the election in the Yukon on June 10 last shows clearly that there is a need for advance polls, and a need for more polling divisions in the northern areas. It seems to me a shame that an election can be thrown out because people are interested enough to take the trouble to exercise their right to vote. I hope that our gracious minister will study this problem and will recommend amendments to the elections act which will rectify this situation.

Mrs. Fairclough: I shall be very glad to bring the matter to the attention of the chief electoral officer.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, the minister has answered in part one suggestion that I was going to make or one question that I was going to ask, but I suggest that it was a conditional answer. It has been the practice after every election to have the Canada Elections Act reviewed by a committee of the house in the light of the experiences obtained in that election. The hon. lady is perfectly correct, as far as my memory goes, in saying that does not always happen in the first session.

Mrs. Fairclough: It very rarely does.

Mr. Knowles (Winnipeg North Centre): Sometimes it happens in the second session after an election. However, she must be

aware of rumours that are appearing in the press. She must be aware of things that are said by the Prime Minister from time to time and which suggest that another election could come at any time, indeed that it might come before another session of parliament is held. I can only assume that this is a decision to be made by the Prime Minister and that the hon. lady does not know what is in his mind. However, it seems to me that it is appropriate to make the suggestion that if there is to be a review of the Canada Elections Act between the election of June 10, 1957, and the date of the next one it might be safer to have that review take place at this session.

This is not an indirect way of asking the hon. lady whether she knows when the election is to be; it is quite direct, if she is prepared to answer. However, I suggest in all seriousness that consideration should be given to that review being undertaken soon so that if there are any changes on which there is general agreement, those changes might be put into effect at an early date. After all, it is common knowledge that the chief electoral officer, shortly after the election of June 10, sent messages that might be called "alerts" to the returning officers across the country. It is also known that in a number of instances returning officers have already asked candidates and runners-up in the last election to supply names of enumerators for urban areas. All of these things suggest to me that if there is to be a review, it should be undertaken now rather than be put off to the time of a second session of the twenty-third parliament which conceivably might never be held.

In connection with returning officers to whom I have made reference, I should like to ask the Secretary of State whether there is in the mind of the government any intention to make any wholesale changes in the appointment of returning officers. I know there are some who are under the impression that the chief electoral officer appoints the returning officers in the various constituencies. The hon. lady knows that is not correct. They are appointed by the governor in council—or in other words by the cabinet—and they are communicated to the chief electoral officer who publishes their names and addresses in the *Canada Gazette*. As a matter of fact, he is required by section 8(4) of the Canada Elections Act to publish that list in the *Canada Gazette* between the first and the twentieth days of January in each year. At the present time, unless some have died or have withdrawn from the position for one reason or another, the returning officers are those who were named in January of 1957. I have no brief for any particular returning officer. I am not suggesting that any returning officer should be replaced. But I think it is a proper question to ask whether those who are the present incumbents can assume that they will be continued or whether there is any intention on the part of the present government to make a change.

I was pleased that the hon. lady indicated that the question of the rate per line to be paid for the printing of the voters' lists is under review by the chief electoral officer. I am hopeful that this is the kind of change that could be made without an amendment to the act and if he recommends an increase in the rate per line, I trust that it will be brought into effect. From the information that I have from my own city of Winnipeg, both from employers and employees—that is from the management and from the trade union side—I can assure her that there were a number of trade union shops in the city of Winnipeg which felt that they could not take on this work this year at the rate that is now allowed.

There is one other subject on which I should like to say a few words even though it has been spoken to at some length. As a matter of fact, it is perhaps for that reason that I want to say this further word about it. I am delighted at the number of members who have expressed the feeling that the time has come to amend the act so far as advance poll privileges are concerned, particularly to widen the qualifications. As hon. members know, I presented a bill a number of times, in fact, there is one on the order paper right now—whether or not it will be reached, I do not know—suggesting that the privilege of voting at advance polls should be extended to any qualified voter who finds that he will be absent from his polling division on election day for any reason whatsoever. I may say frankly that I cannot see that there is any reason for any restriction. This is one of the issues where both the Canadian Labour Congress and the Canadian Chamber of Commerce take the same view and I hope that favourable consideration will be given to this change.

I should now like to call one more witness in support of the proposition that the advance poll should be extended to all who find that they will be away, even if they are away on vacation. My witness is a very important one and he is a very highly respected member of this House of Commons, one to whom I have already had the privilege of paying my personal tribute. I refer to the hon. member for St. Paul's, His Honour the Speaker.

The fact that the hon. gentleman is the Speaker means that he does not take part in the debates in this house. I would not want to quote something which he had written if

I was going to argue with him but I feel I am at liberty to quote something of his with which I am in agreement. I hold in my hand a very excellent piece of election literature put out by the Progressive Conservatives in the constituency of St. Paul's urging the re-election to this House of Commons of a gentleman referred to in this leaflet as "Roly Michener".

On the fourth page of this document I find some useful information which was made available to the electors of St. Paul's concerning election arrangements. One of these bits of information reads as follows:

> If you are a commercial traveller, an airline pilot or stewardess, a railway employee or a sailor you may vote in the advance poll from nine a.m. to seven p.m. Thursday, Friday and Saturday, June 6, 7, and 8 (sorry, but Liberal government regulations will not permit advance poll for vacationers).

Mr. Fraser: That is right.

Mr. Knowles (Winnipeg North Centre): The member for Peterborough is correct; he is right—that is the way the act reads as put on the statute books by the Liberals, but I do not forget the fact that when my bill was before this house last session it was supported by this party, by the Social Credit party, by the member for Mackenzie River who has just spoken and by one or two other Liberals but it was opposed by the Liberals in the main and by all the Conservatives who were present.

Now however one of the foremost Conservatives, indeed the first commoner, has had it put on record that he objects to the Liberal government regulations having denied advance polls to vacationers. I agree fully with what His Honour has said and I hope that although he is not now on the floor where he can argue with regard to these matters the government will pay attention to what he has said, when some of the rest of us bring it to the attention of the ministers across the way.

I therefore hope, Mr. Chairman, that the growing support for this proposal will result in action being taken at an early date.

Mrs. Fairclough: Mr. Chairman, I do not wish to prolong this debate on advance polls and I think this is scarcely the time to do so. We may be able to take up the matter when the hon. member's bill is before the house. I would however just like to say that if my memory serves me well, without the legislation before me, the measure of the hon. member, while it provided for an advance poll 10 days before election it did not provide for an advance poll two or three days before election.

I could not help but think yesterday when the hon. member for Kootenay West was speaking that his firefighters would have been out of luck because they did not know 10 days beforehand that they were going to be away fighting a fire, and a great many people who are absent for reasons other than the pursuit of their business also do not know that far ahead. I just make this comment in passing. With respect to the change in returning officers, I am sure the hon. member is quite familiar with the provisions of section 8 of the Canada Elections Act. I can only say to him that this is a law-abiding government; we intend to proceed according to the act unless and until that act is changed and it is not the intention of this government, during this particular session, to propose any change in the act.

With regard to the election date I am beginning to wonder, Mr. Chairman, just what goes on around here. Personally I am preparing for the next session of this parliament.

Some hon. Members: Hear, hear.

Mrs. Fairclough: But after listening to the hon. member for Kootenay East, who represents the official opposition in this parliament, and now the hon. member for Winnipeg North Centre, who represents another group, I wonder if the hon. member for Winnipeg North Centre would tell me—since he is in the house—whether the two of them are preparing to "gang up" on this government.

Mr. Fraser: Mr. Chairman I would just like to say a word or two with regard to the question of enumeration. I know of cases where a person has been enumerated, has received his enumeration slip and felt sure he was on the election list but when the preliminary list was printed and forwarded, perhaps to one of his friends he looked at the list, discovered he was not on it after all. This is in spite of the fact that his name was written on the list given to the returning officer by the enumerator and the mistake would have been made by the printer who, in checking it over, had left off this particular name.

That means that the person involved has to go either to the returning officer with the slip he has received and get a certificate saying he can vote, or else go to the revising officer. In some cases of which I know these people are cripples who could not walk upstairs and it has meant that they had to go themselves, taking this slip with them. Where it has been a question of going to a revising officer, of course, an affidavit can be taken but in many cases the mistake has not been discovered until it has been too late to adopt this method of correcting the situation. I am wondering if there is any way by which the slip shown to the deputy returning officer could be taken as authority to vote.

Mrs. Fairclough: Mr. Chairman, it is not supposed to be taken as authority to vote but I know that in some cases the privilege has been accorded to a person holding an enumerated slip. I might say however to the hon. member that the voter himself does not have to apply to the returning officer; it can be done by proxy. Someone can take it for him and procure a certificate enabling him to vote.

Mr. Fraser: But generally they do not find out until a day or so before election, or perhaps a week ahead of time, and then it is too late.

Mrs. Fairclough: No, they may take it right to the returning officer rather than a revision board.

Mr. Fraser: Another matter which I mentioned was the question of stairs and I just wondered if the hon. minister could advise the chief electoral officer to ask the returning officer to try and locate polling booths in places where people do not have to climb a dozen or more stairs. I have heard of cases where ankles and legs have been broken in some places which are not very well lit and of course there is also the question of persons with heart conditions.

Mr. Bryce: Mr. Chairman, I wish to bring forward a grievance before the minister which concerns the fishermen in my constituency who very seldom have the privilege of voting. We all agree I am sure that our people in Canada should have this privilege. We preach to them: Whatever you do get up and vote; it does not matter for whom you vote, but be sure to vote.

Now these fishermen have not had that privilege. It appears that the favourite time for elections is during some time in June and the fishermen from the districts of Riverton, Selkirk, Hnausa, Arnes, Gimli and Winnipeg Beach have to leave about the 29th or 30th of May. They must go to the fishing grounds which in some cases are about 200 miles away. Now the hon. lady may say to me "Well, what should I do about that?" Well, I would say "Extend the time for the advance polls." The last election was held on June 10 and these chaps had to be at the fishing grounds on June 6 so they did not get a vote.

I do not think anybody wants to do them out of a vote but I would like the hon. lady to see if she could get an amendment so as to enable an extension of the advance polls so that the fishermen in lake Winnipeg will have the right to their vote.

I think every good Canadian should vote, and these men complain bitterly to me about not having an opportunity. Election year after election year they have been deprived of the franchise. I am not going to take up a lot of time, but I see in the papers that there has been an awful lot of telegraphing of votes going on in different parts of the country, and maybe we will be able to get the fishermen trained to radio in their votes.

Mr. Byrne: Mr. Chairman, last evening I was endeavouring to assist the Secretary of State inasmuch as I felt that many of the problems which were raised at that time might better be raised when the committee sits, and I want to assure the hon. lady that my prognostications were based on the warlike speeches and "brinkmanship" that were used by hon. members of the government party.

Mr. Winch: Mr. Speaker, I appreciate the answers given by the Secretary of State, but I regret that she did not answer—or at least I did not hear her answer—one of the questions which I raised yesterday, and one which is to me of the utmost importance. If the act is not going to be changed before the next election, cannot provision be made for putting the place where a person should vote in a more prominent position on the tear sheet? I hope the Secretary of State has not forgotten that question, and that something will be done about it.

I am not at all sure when the next election will be called—I have not the faintest idea—all I know is that last week I was notified from Vancouver that the returning officers in British Columbia have now received all the supplies which are required, and neither the Liberals nor the Socreds nor the C.C.F. group have anything to say in the sending out of supplies to the returning officers.

There is one other thing I should like to mention while I am on my feet—it is strictly my personal view, but I wonder whether the Secretary of State would give any consideration to it. In the years in which I had the privilege of being a member of the British Columbia legislature I noticed that in the estimates every year provision was made for a conference which dealt with what was known as uniformity of legislation, and that almost every session certain bills were introduced with regard to which members were told: there is no change in principle, this merely follows the recommendation of the nationwide conference to adopt uniformity of legislation. That brought this to my mind—that every five years, at the outside and, as a rule, every four years, every province in Canada has a provincial election. As far as British Columbia is concerned, for a few years they held one almost very year. So far as this house is concerned it is every four years; perhaps the time interval is shorter, but in any case it is not more than every five years that an election is held. This means the establishment of

voters' lists. Under federal legislation there has to be a brand new enumeration every time, a process which costs a lot of money; moreover, enumerations in every province of Canada must also cost a great deal of money.

Has any thought ever been given, or will it be given, to the advisability of establishing, along the lines of uniformity of legislation, a uniformity of eligibility to take part in elections both federal and provincial, and to the maintenance of a continuance up-to-date voters' list available at any time for use in a federal or provincial election, or in the event of a by-election?

I have thought this matter over for quite a few years, and although I recognize that certain technicalities might cause some difficulty I do not think it is impossible to establish uniformity of eligibility and a permanent record of voters which would be available for use in an election anywhere in Canada at any time. I am confident that if this were done hundreds upon hundreds of thousands of dollars would be saved to the taxpayers of this country, and to our provincial and federal governments. I should just like to throw out that suggestion now, and hope consideration may be given to establishing a system in Canada along the lines I have suggested.

Mrs. Fairclough: Mr. Chairman, I shall be very glad to bring the matter to the attention of the chief electoral officer, and I am sure that when the committee meets he will be glad to hear representations from the hon. member for Vancouver East on this interesting subject.

With reference to the remarks about the place of polling, I must say I find myself in complete agreement with the hon. member for Vancouver East. I have had exactly the same experience as he, and I have found that even in our own committee rooms many of our workers fail to see the location on the preliminary lists. I will consult with the chief electoral officer to determine whether or not he can suggest to the returning officers that this information be printed in larger type. Hon. members will notice that it does appear now in bold-faced type—

Mr. Knowles (Winnipeg North Centre): But only in 8 point type.

Mr. Winch: But still small.

Mrs. Fairclough: Oh yes, it is small. It seems to me that it could be in much larger type to draw immediate attention to it and, as I say, I will be glad to draw that matter to the attention of the chief electoral officer. I do not think the mechanics of this proposal are a matter of any great difficulty. I believe all that is necessary is to make the suggestion to the returning officers, and it could easily be carried out when they place printing orders.

With reference to the assertion that supplies have already gone out, these are the preliminary supplies, and it is the usual thing that is done after every election. The same procedure is gone through by the chief electoral officer in each case.

Mr. McIlraith: As far as printing the place of voting on the voters lists is concerned, I want to draw the attention of the Secretary of State to the fact that there is quite a difference in each constituency depending on the particular printer used by the returning officer. In some constituencies the voting place is printed in the same type as other reading material printed alongside of it, but in others printers will set it up in bold-faced type which stands out clearly. This seems a matter which could easily be corrected by a directive from the chief electoral officer, within the scope of the present legislation, and that no additional legislation is needed.

As to the committee of the Canadian Bar Association dealing with uniformity of legislation, I am not aware that this subject of a uniform election act has come before this body. It is probably something which should be suggested to them for consideration, because it will certainly be a great convenience if the election acts of the provinces and of the federal government were similar in their main points. One of the main reasons for this being desirable is that the officials appointed under the federal act very often draw on their experience and knowledge of the provincial election acts and, consequently, you get practices which are perfectly fair as between the parties but which are quite offensive as far as the federal election act goes. These practices are entered into in good faith by the election officers concerned, so I do hope that the Secretary of State will look into this matter to see whether something can be done along the lines of getting uniformity of election acts, at least with regard to the main points. It is a matter that I imagine would take some time. I do not think it could be done quickly but I do wish the minister would take it into consideration.

Mr. Hahn: Mr. Chairman, what I have to say is very close to what the minister had to say in some of her answers. While she is considering this matter of absentee voting I am sure she will be interested to know—and I give this as an illustration—that one of the fishermen in my riding indicated to me that the last election was the first time he had had a vote since the war. It just so happened that he was not in port on the day on which

the previous elections were held. Unless they are in port it makes it practically impossible for them to vote. A broadening of the advance poll regulations would certainly be worth while. The fishermen are not included today. If they were included the crew would have the opportunity to vote.

I am particularly interested in another class on which I did not hear the minister comment. I must admit I was not here at all times. I refer to the pay that is given to the enumerators, namely 10 cents a name.

Mrs. Fairclough: I did comment on that.

Mr. Hahn: Yesterday?

Mrs. Fairclough: No, today.

Mr. Hahn: I am sorry; I missed it. I wonder whether the minister would repeat it.

Mrs. Fairclough: Mr. Chairman, what I said was—and the hon. member is aware of this—there was some change in the remuneration in the last election. Although the per-name rate was maintained, a minimum was established in an effort to secure a more efficient enumeration. Now, in some instances I understand the new rates did not work out as well as had been expected but I can assure the hon. member that the chief electoral officer is considering it very carefully.

Mr. Broome: Mr. Chairman, I have one item I should like to draw to the attention of the minister. It has to do with the use of schools as polling locations. In the last election the Vancouver school board made the schools available at the request of one returning officer and they then broadened their permission to include schools throughout the city.

The schools are used in municipal and provincial elections in British Columbia. In those schools you have not the problem of stairs. The location is well-known to all of the residents in the area. They are used to going there and voting. The surroundings have a dignity to them that you do not get in the ordinary polling places. It worked out very satisfactorily but only one returning officer in all of Vancouver took advantage of the offer of the Vancouver school board. They are considering whether, when the next election comes along, they might not even close down their schools for two or three hours. They do not need to do that because you can use the gymnasium or the auditorium and set up as many as 10 to 12 polling stations in the one location.

The one returning officer to whom I am referring is permitted to hire special constables. Well he hired one for about 10 polls. That man acted to direct traffic. I visited as many polling stations as I could on election day and the business of the day was being conducted in those schools and in those multiple polling areas much better than in the individual homes. I do not understand why more use has not been made of such public facilities by the electoral officers. It seems to me to be a sensible and a wise way of handling it and I would commend it to the minister.

Mr. Chevrier: Mr. Chairman, I listened with keen interest to what the hon. gentleman just said and I should like to support him very strongly in the remarks he has made. I have particular reference to what happened in the constituency of Laurier during the last election day on June 10. I am not free to speak of those irregularities which took place —I would like to—because there is an investigation taking place at the present time; but I am sure that had the polling stations been established in a school, in a gymnasium, or in some other public hall, it would not have been possible for those irregularities to have taken place.

I have discussed the matter with the returning officer in the constituency and I think he, too, is of the view that consideration should be given by the chief electoral officer and by the minister as well, I am sure, to this suggestion. It would avoid those irregularities and it would avoid people going into the polling booth in groups, particularly when the polling booth is in a small room of a house. I think there is a great deal to be said in favour of it. There have been irregularities, not only in my constituency, but in other constituencies elsewhere in the province of Quebec, and it does strike me that this would be an excellent suggestion which the minister should take into consideration and give careful study to.

If I understand the act correctly, I believe it is the responsibility of the returning officer to make a recommendation to the chief electoral officer who afterwards decides whether in his judgment and in the circumstances existing in the particular riding it is appropriate to have the polling stations in a public building of some sort. But I do want to go on record as supporting to the fullest extent that kind of suggestion and I trust the minister will give it the consideration it deserves.

Mr. Argue: Mr. Chairman, I think we all agree with the remarks of the hon. member for Laurier and the hon. member for Vancouver South. I think it is fair to say that the practice which they wish to correct has already been corrected in some ridings in this country. I know that within my experience the returning officer that I have to work with in my constituency has almost invariably—as far as I know invariably—picked a public

place when a public place was available at a convenient location. It is the normal practice in a village, town or hamlet that the polling place is in the community hall. Out in the country, if there is a schoolhouse available at a central location, the polling place is usually in the country school. I think it is a good practice. I agree with the support that has been given to this idea.

As far as my own constituency of Assiniboia is concerned, my returning officer, Jack W. O'Neil, of Viceroy, Saskatchewan who was appointed by the previous administration, has done a very good job. There is one practice that I think we all agree has grown up. The enumerators and clerks in rural polls, and the other officials in urban polls, have been appointed almost solely—at least to a large extent—on the basis of the party which they have supported. In the past the returning officer has appointed people who have supported the Liberal party. I do not think that is a good practice; I do not think it is a necessary practice and I do not think it is of any political advantage to the party in power. The general instructions which go out to the returning officers today, when they are finding officials to carry on this very important duty, should be to obtain the services of the people who can do the best job and not to give them first of all a blood test to find out how they voted in the previous election.

I am hoping that under the new government there will be a change in attitude. In my own constituency there will have to be because I do not think there were sufficient supporters of the present administration in the last election to man all the polls. Therefore, there is a very real opportunity to pick all these people on the basis of the job that they can do. I would ask the minister to take that into consideration. I do not think Canadians today appreciate, or approve generally, the attitude that you have to be a supporter of the government in power before you can obtain any of the small jobs as far as pay is concerned, but very important jobs as far as the welfare of our country is concerned and the proper functioning of the democratic system.

I go along with those who have said that there must be changes in the election act in order that the thousands of people who are now disfranchised in elections will get the vote. Mention has been made many times—it is not necessary to repeat it—that many people are away from home on election day and that the provision as to people who may vote at advance polls is far too restricted. As I see it, the mere extension of the qualifications with respect to people who may vote at advance polls is not going to do the full job in probably half of the ridings in the country. The experience we have had is that there are very few advance polls in rural ridings and if a person is eligible to vote at an advance poll he may have to travel 50 or 100 miles to reach that poll.

Therefore the mere extension of the qualifications in regard to those who can vote at advance polls so that more people may vote is not going to meet the situation fully. It might help to provide a great many more advance polls. Along with the suggestions that have been made, it would seem to me that the various election acts should be as uniform as possible. The government should be aware that in a growing number of provinces people now are able to vote by absentee ballot in a provincial election and when a federal election comes along they are completely confused. They have had a chance to cast their ballot in a provincial election if they are away from home. When a federal election comes along they assume they have the same privilege. They have probably been somewhat careless but the result is that they are not able to vote. They are not able to obtain a copy of the election act in order to study it. They assume they will have the same rights and they are disfranchised.

But there is a particular group that I think should be given special consideration. I think it is a shame that provision is not made for patients in hospitals to vote on election day. I think it is a shame that people who have to go to hospital after the writs are issued are disfranchised. Surely some special consideration should be given to this problem. People do not go to hospitals for fun and they should be given the chance to vote. There are polling stations in some hospitals but that does not mean that the patients who have to enter hospital after the writs have been issued can vote. The hospital polls are for the staff, the people who are ordinarily resident in that area, in the same way as any other poll. Therefore I ask that special consideration be given to people who are patients in hospitals.

There may be difficulties in providing an absentee ballot such as we have in some of the provinces whereby on election day a person can walk into any polling booth anywhere in the province, ask for a ballot, receive it and vote in his own electoral district. It seems to me that consideration should be given to providing that a person qualified to vote at one poll in an electoral district may cast his ballot in any other poll in that electoral district. The problem would not then be encountered of people changing from one electoral district to another and I think that

a great majority of the people otherwise disfranchised would be given the chance to cast their vote.

Will the Secretary of State assure the house that these points and others will be given consideration by the government? I do not imagine anyone present today knows precisely when the next election will be. I think there should be a committee at this session but if there is not going to be one then I point out that we are in a committee now where suggestions have been made and I hope that consideration will be given to those suggestions and that appropriate amendments to the act will be introduced.

Mr. Irwin: Mr. Chairman, I have the idea that the minister probably has some difficulty with my accent which is similar to that of the hon. member for Selkirk. May I assure her that if she has she has only to draw it to my attention and I will do the best I can to clarify. Yesterday I mentioned something about the service vote and I understood the minister to say that I was misinformed. I may be misinformed orally at times but I can assure her that my eyes are rarely misinformed. When I was elected on June 10 last the minister's party just did not believe that 38 votes were enough to elect me. They had a recount and I won by 59 votes. When the recount was held the service votes were counted. I actually saw the ballots and I can assure the minister that a number of the ballots bore the designation "Social Credit" and a number "Liberal" and they were accepted as valid ballots by the learned judge who presided over the recount. I do not see any reason why the name of the party that the candidate represents should not be included on the ballot paper.

The hon. member for Assiniboia brought up the question of getting poll clerks and deputy returning officers from the various parties. May I suggest that the chief electoral officer suggest to his returning officers throughout the country that as far as possible they get their deputy returning officers and poll clerks from veterans organizations. They will get them without very much trouble and they will get a fairly large number of them. It might help to overcome the difficulty that faced the returning officer in my constituency on June 10. He finally had to turn to the Social Credit in order to get deputy returning officers and poll clerks, and we were delighted to see that he got them. That, of course, in the minds of some, might have had something to do with the result of the election. I would not know that, but I suggest to the minister that the best results could be obtained by applying to the proper authorities such as veterans organizations, parent-teacher associations, community associations and so on. Far better results will be achieved in securing deputy returning officers and poll clerks than by taking them from the various political parties.

I also understand that some hon. members misunderstood me yesterday when I referred to fishermen being disfranchised. They were not disfranchised because they were fishermen. Provision is made for fishermen to vote at advance polls, but these men were disfranchised for the simple reason that in the riding of Burnaby-Richmond only Burnaby is eligible for an advance poll. There is no provision for an advance poll in Richmond. As it so happens, the fishing district at Steveston in Richmond is a long way from the centre of Burnaby where the returning officer had his office, and because these fishermen did not arrive home until early on the last day they were disfranchised.

The Chairman: Shall the item carry?

Mrs. Fairclough: Mr. Chairman, I do not think I can let the last statement pass without making a comment on it because of its possible effect on some future occasion when a recount is made. I would be the last person to set myself up as an authority against the opinion of a learned judge but it is definitely not in accordance with the Canadian forces voting regulations to mark ballots in the manner described by the hon. member. Section 34 states in part that the elector shall cast his vote secretly by writing thereon with ink or with a pencil of any colour the names or initials and surname of the candidate of his choice. Furthermore, section 78 says that in the counting of the votes the scrutineer shall, with the approval of the special returning officer, reject all ballots, and then it goes down to (b), that have not been marked with the name of any candidate.

Mr. McWilliam: I should like to raise a matter now, and I appreciate the minister might not be in a position to answer at this time but I would appreciate it if she would give me an answer at an early date either by letter or whatever means she may prefer. I should like to know what would be the position of a candidate on filing nomination papers in a federal general election or federal by-election when he has failed to file a return of his election expenses at a previous election. This question has arisen in a good many cases across Canada, where a candidate was unsuccessful in one election and did not comply with the Canada Elections Act by filing a return of his election expenses. Then in a later election he was nominated as a candidate and was accepted.

Mrs. Fairclough: I would be glad to try to secure an answer to that. I do not think I should take it upon myself to answer offhand.

Mr. Hahn: In so far as the reply the minister made to the hon. member for Burnaby-Richmond is concerned with regard to the acceptance or rejection of ballots on a recount, I think the minister will discover that the jurists do not necessarily use the election act in making decisions on some of these ballots.

Mrs. Fairclough: I recognize that.

Mr. Hahn: Under the circumstances, I think she would agree that it would be for the jurists to decide whether or not he would accept it.

Mrs. Fairclough: I have already said that, in effect.

Mr. Hahn: I should like also to endorse what the hon. member for Assiniboia had to say in respect to setting up polling stations in hospital areas, and particularly within the hospital itself. I would ask the minister to give consideration to the possibility of setting up polling stations within hospitals. We have many instances where those in hospitals ask us if it is not possible for them to exercise their franchise. They are denied that right because they cannot get out of the hospital. It would be desirable, where we have large institutions of that type, to have that done. I make that request because I find that the servicemen in our Shaughnessy hospital in Vancouver can vote. I know that perhaps certain individuals might not be permitted by the doctors to exercise their franchise, but there are others who are not quite well enough to go out and who would find it desirable to exercise their franchise if a poll were placed in the hospital.

Mr. Knowles (Winnipeg North Centre): I should like to say a further word, Mr. Chairman, about the matter which has been discussed between the minister and the hon. member for Burnaby-Richmond. I do not intend to get into the argument between the minister and the judge. In fact, that argument being raised, I feel, gets us away from the point that was made by the member for Burnaby-Richmond. As I understand it, his point was that service personnel are entitled by law to know the political affiliations of all candidates whose names are on the ballot. This is set out clearly in section 15 of schedule 3 to the Canada Elections Act which is entitled "Canadian Forces Voting Regulations." It provides that the list of candidates sent to places where the service personnel are located must include the political affiliations of candidates. The appropriate words read as follows:

> —upon such list shall be inserted after the names and surname of each candidate, the designating letters currently used to indicate his political affiliations, such designating letters shall be ascertained from the best sources of information available to the chief electoral officer.

I quite understand how some of these service personnel made the mistake but it seems to me that the mistake, the subject of discussion between the hon. lady and the judge, is beside the point. The fact is that we do allow service personnel to know the political affiliation of those whose names are on the ballot. Why can we not be equally sensible so far as the civilian population is concerned?

There is another question I should like to put to the Secretary of State. Can she tell us where the cost of the last election, which I believe she gave to the house in another way, shows up in a book like the estimates, for example. The estimates now before us show a token item of $25,000 for expenses of elections in the year 1957-58. When the new estimates come down I suppose there will be a token item in them. Where does the actual cost of the election held on June 10 show up in any official records of parliament?

My last question on this item is one that I thought perchance the hon. member for Northumberland-Miramichi was going to ask when I saw him rise, in view of the fact he was the chairman of the committee on privileges and elections in the last parliament. The question relates to the matter of redistribution, and more particularly to the recommendation of a committee of this house during the last parliament that study should be given to methods of redistribution including the possibility of having that job done by an independent commission. When I questioned the previous secretary of state about this a number of times he assured us that material was being collected but it was always at the next session that this matter was going to be studied. I wonder if the previous secretary of state left behind the material he had collected and whether the present Secretary of State has taken a look at this material and whether she can say what the policy of the new government is towards parliament being given a chance to study redistribution by an independent commission.

Mrs. Fairclough: In reply to the last question, it has not been considered by this government as yet. If the material referred to is in my department, it has not been drawn to my attention as yet.

Mr. Knowles (Winnipeg North Centre): Or as the Minister of Public Works says, maybe it is on the shelf or under the bed.

Mrs. Fairclough: The cupboards are clean in my department.

With regard to the first question the hon. member asked, the expense of the election to which he referred appears as a statutory item in the book of estimates. It was a token amount to cover by-elections. The amount for the general election is paid from the consolidated revenue fund.

Mr. Knowles (Winnipeg North Centre): I presume it will show up in the public accounts.

Mr. Fisher: Perhaps Port Arthur is a fortunate place, but we do have most of our polls in schools and there is no real question of patronage in our constituency. It seems to me, however, if we follow up the logic of the proposal made by the hon. member for Assiniboia we will have to do something about this question of urban enumeration. At the present time people who are selected to do the enumerating are drawn from the two parties which finish highest in the poll. I would suggest the matter be taken under consideration.

I should like to return again to the comment I made yesterday in connection with the nationwide campaign at election time of the junior chambers of commerce which is designed to get the people out to vote. I feel that there is not enough advertising of the courts of revision. Having regard to the position that the minister holds, I feel that she might take advantage of this co-operation that is given to the whole electoral process by the junior chamber of commerce in getting them to concentrate some of their advertising and their energy upon the question of advertising the courts of revision so that no citizen will go without knowing what the court does and how it can affect his vote.

On the other point that I mentioned yesterday, namely the question of hours off for the purpose of voting to which every elector is entitled. We had a number of embarrassing cases in our constituency. In one of them I was well set to go ahead with the prosecution until I discovered that the foreman who was involved in refusing to let an employee off work to vote was unaware of the condition. Then even later I was pleased to discover that there had been no prosecution because I learned that he was a member of our party. I feel that in this particular case not enough workers know their right. It seems to me that it is the duty of the constituency returning officer to make that right known by some kind of advertising campaign. That, of course, requires money which the estimates must take care of.

Mr. Kucherepa: I should like to make a few remarks on the subject which is now before us. I certainly agree that we need some amendments to the Canada Elections Act, especially with respect to the extension of the advance poll. I think we might well consider a far larger group of electors who should qualify in this field. Further, I think that we could probably handle our active hospital vote in this way. The hospitals for the chronically ill are as a rule subdivisions in themselves. The active hospitals are not as a rule and they have listed there only the interns and the staff. But if we were to make provision for an advance poll, I am sure that even in large municipalities where a hospital may be located at a boundary line the returning officers in two different ridings or even three different ridings could set up an advance poll in those hospitals.

Furthermore, I think we should also consider the possibility of making some change in the appointment of deputy returning officers and clerks so as to have it compare in a way with the set-up which we have for enumeration which works, in my opinion, very well.

With regard to the posting of voters' lists on trees and poles, I do not know whether or not this is the most satisfactory arrangement. In the city of Toronto, in municipal elections in the past it has been the practice to post the voters' lists in schools, fire halls and other public institutions. During the past year we have made further amendments in order to allow those lists to be posted on poles. I think we might well consider the possibility of adding to the advertising of the voters' lists by putting them in the post offices and schools as well as in the present locations. It was my experience in the past campaign that in some cases no sooner were lists posted than they were down the next day. I would think that furthering this objective of advertising voters' lists might be in the best interests of getting more people on the voters' lists without the last-minute flurry. These are the few observations that I wanted to make at this time. I hope that some of the other suggestions which have been made by other hon. members will also be taken up by the proper committee and be given due consideration.

Mr. Smith (Lincoln): I should like to address a question to the hon. lady. It is rather in the lighter vein and she is not obliged to answer it unless she wishes to do so. During the last election my name, John

Smith, was used on the sample ballot. I was just wondering whether she was making any change this time.

Mr. Gauthier (Portneuf): Make it John Doe.

Item agreed to.

Civil Service Commission—

86. Salaries and contingencies of the commission, including a grant of $3,000 to the Public Personnel Association to assist in defraying the costs of its international convention to be held in Canada in 1957, $2,961,606.

Mr. Knowles (Winnipeg North Centre): In view of certain changes that have taken place in the set-up of the civil service commission recently and certain changes that are pending, I wonder whether the Secretary of State has a general and informative statement to make on this item?

Mrs. Fairclough: Because of the fact that those changes are still being made and because of the fact that there are a number of matters under consideration at the present moment, I had decided not to make a statement at this time. However, hon. members are free, of course, to ask questions if they wish to do so.

Mr. Herridge: I should like to ask the hon. lady a question with respect to transfers from one department to another. I understand that is something that can be done with reasonable facility between most departments but I am told that civilian employees of the Department of National Defence find it extremely difficult to get transfers to other government departments if they so wish. Would the minister inform the house of the present procedure with respect to transfers from one department to another and whether there is any difference in that procedure in so far as the civilian employees of the Department of National Defence are concerned?

Mrs. Fairclough: I am informed that the procedure is the same in all departments. The transfer requires the consent of the deputy minister of the department in which the employee is currently engaged and the move also requires the consent of the civil service commission.

Mr. Herridge: I have had several complaints made to me in this connection. I understand that the employees of the Department of National Defence find it much more difficult to get transfers than do the employees of any other department.

Mrs. Fairclough: I fancy in that respect the hon. member should probably speak to the Minister of National Defence.

Mr. McMillan: I wonder whether the hon. lady can tell us the number of civil servants? Can she tell us the total number of civil servants?

Mrs. Fairclough: The last number, as published by the dominion bureau of statistics, was about 148,000.

Mr. McMillan: Is the number about the same as that a year ago or two years ago?

Mrs. Fairclough: It is slightly more.

Mr. Knowles (Winnipeg North Centre): Would the minister comment on the wage and salary situation in the civil service? I am not asking for too lengthy a statement on this matter but as she knows a general adjustment or increase was put into effect just after the new government came into power. Can she say whether that has been made to apply to all civil servants? Can she speak also for public service employees generally, even those who might not be called civil servants as such? Also, can she make a statement as to the extent of the five-day week in the civil service or in the public service? Is it now general or perhaps I should say is it now universal?

Mrs. Fairclough: I shall answer the last question first. The civil service commission and the treasury board have been considering this question. It has been estimated that there are now about 6,000 classified employees who work longer than 40 hours per week.

Mr. Knowles (Winnipeg North Centre): Out of how large a total?

Mrs. Fairclough: Out of 148,000. It is now estimated that an additional 324 positions would be required at an annual expenditure of approximately $400,000 if the five-day week is granted throughout the service. The whole matter is under constant consideration with a view eventually to bringing them all on the same plane.

Mr. Knowles (Winnipeg North Centre): Perhaps this is an unnecessary comment but I hope that the statement made by the minister as to what it would cost to extend the five-day week to everyone does not mean that those other employees are going to have to be denied a condition which is so general in the civil service. After all so far as the other 142,000 are concerned it is obviously costing more to have them on the five-day week than if their positions were operating on a six-day week basis. As I say, I think this comment is unnecessary, but I can see that the statement the minister has made might be interpreted in some quarters in a way that might cause dismay.

Mrs. Fairclough: Mr. Chairman, I thought I had made it quite clear when I said the

whole matter is constantly under review. No such imputation should be attached to my statement.

Mr. Knowles (Winnipeg North Centre): Would the minister answer the other question, as to whether the wage and salary adjustments which began about the time when the new government came into power have now reached everyone in the public service.

Mr. Fairclough: I am given to understand, Mr. Chairman, that the civil service is now covered by the general increase; all classified employees are covered. I think the only people who probably have not been taken complete care of are the deputy ministers.

Mr. McIvor: There is a question I would like to ask the hon. minister although I am not sure she is the proper person to answer it. My question is this: With respect to the bringing of pensions for retired civil servants up to the point where they ought to be, is there any consideration or any plan to take care of this matter during this session?

Mrs. Fairclough: Mr. Chairman, that is not a matter for the civil service commission.

Mr. McIvor: Thank you.

Mr. Hardie: Mr. Chairman, I would like to ask the hon. minister if there is anything in the regulations which prevents civil servants or persons hired by the civil service in the Northwest Territories or the Yukon from being paid for their transportation to the provinces for the purpose of holidays? I have received complaints in my riding from persons who, say, go into the Northwest Territories to work for a mining company and, after having worked there for some time, have the opportunity to apply for civil service jobs. Having got such a job they take on their duties and then the holiday period comes up. Such people are not provided, as are people hired for instance at Edmonton or Calgary, with transportation home.

Mrs. Fairclough: Well, Mr. Chairman, I think that would have to be a condition of employment of which such a civil servant must have been aware when he transferred from his other position; he must have known that that condition obtained.

Mr. Hardie: Is there anything in the regulations controlling that point?

Mrs. Fairclough: I am given to understand there is nothing in the regulations of the civil service commission; there may be something under the jurisdiction of the Department of Northern Affairs and National Resources.

[Mrs. Fairclough.]

Mr. Hardie: I was wondering if this applied to the Post Office Department and all other departments.

Mr. Herridge: Could the minister explain why the cleaning ladies employed in this building have not yet received a raise as have other employees during the last two weeks, who I understand have received cheques covering such raise.

Mrs. Fairclough: This question was raised in the house some time ago. These people are employees of the house and I think the hon. member should speak to His Honour the Speaker, with regard to this subject.

Mr. Herridge: Well I made enquiries and was informed that these people are employees of the Department of Public Works. I want to get to the bottom of this thing; every morning I meet a delegation at eight o'clock and they want me to get some information for them.

An hon. Member: Do not get here so early.

Mrs. Fairclough: Since there seems to be some confusion, if the hon. member will send me a note on this matter I will inquire as to just who has jurisdiction over these people and what is the situation.

Mr. Hardie: I wonder if I could ask the hon. minister if anything is being done to give all the civil servants in the Northwest Territories and the Yukon the same sort of housing accommodation. We now find the Department of Transport provides a house, possibly worth $25,000 with furniture, linen and silverware supplied; Northern Affairs have a house with furniture; the post office provides a house with no furniture and so on. I wonder if the minister could tell me if the civil service commission is looking into this matter and whether a decision may be expected at an early date?

Mrs. Fairclough: Mr. Chairman, that is not a matter for the civil service commission. There is an interdepartmental committee on northern affairs which is presently looking into just such matters with respect to government employees in these areas.

Mr. Hardie: Is it not the job of the civil service commission to look after the employee relationships and cases where people in the service, no matter for what department they work, feel they are being discriminated against because they work for one particular branch of the service?

Mrs. Fairclough: Well, Mr. Chairman, only in a very general way would such a matter come under the commission; nevertheless the commissioners will be glad to take into consideration the member's remarks.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I would like to ask a further question of the hon. minister. Before I do so, since this is the first occasion on which we have discussed the estimates of the civil service commission since the new chairman took over his duties, as a fellow Winnipegger I would like to say how pleased we are at his appointment.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): Some time ago I was pleased, as was the hon. the Secretary of State, that a lady was also appointed to the commission. I had better be careful when I mention the fact that she, too, is a fellow Winnipegger and that I believe the civil service commission is therefore in good hands.

From those remarks may I go on to my question. The previous government was asked on several occasions to consider collective bargaining for the civil service and it was either the previous prime minister or the previous minister of finance who promised that a study of this matter would be made, particularly having in mind what is done in the United Kingdom and in some other countries. I would like to know whether the new government is continuing the studies which the former government undertook? I have one other question but perhaps the hon. minister would like to answer that one first and I leave it to her to decide.

Mrs. Fairclough: Mr. Chairman, the answer is yes; studies are being continued and may I say on behalf of the chief commissioner and the other commissioners that they thank the hon. gentleman very much for his kind remarks.

Mr. Knowles (Winnipeg North Centre): Just one more question. I was pleased that the new government when it came into office last June acted quickly on the matter of civil service salary increases. I think that the new government would be prepared to admit, however, that it simply implemented something that was already in hand when the previous government was in office. The hon. lady knows that time moves rather quickly these days and, in spite of the confidence of the Minister of Finance that he has checked inflation, the cost of living is still rising and I understand that the civil service will shortly be asking the government for a further increase in salaries and wages to compensate for the rise in the cost of living since the last rates were fixed. Could the hon. the Secretary of State, in the genial and friendly way with which she has capitivated this house, assure the civil servants that such a request will be given her sympathetic consideration.

Mrs. Fairclough: Mr. Chairman, all requests which are made by the civil service employees will be carefully studied and given sympathetic consideration.

Mr. Morris: Mr. Chairman, there are two questions which I should like to direct to the minister. The first is this: I wonder if she would be kind enough to ask the chairman of the civil service commission—I am glad to see him here this afternoon—if he will let us each have a copy of the text of his provocative speech made in Halifax recently on the philosophy of public service. I, certainly, as a new member would appreciate having a copy of the text of his address if it were available.

The second matter refers to the publication in the *Canada Gazette* of competitions held under the civil service commission. I am afraid I have left the copy of the *Gazette* that I wished to bring along back in my room, but if I recollect it rightly it says that in conformity with section 35 of the Civil Service Act the civil service commission herewith announces the following competitions which are now in progress. Several competitions identified as being now in progress were in fact not in progress at the time of publication of the *Gazette*, having ceased prior to that date. I wonder if we might have some clarification as to whether the *Gazette* will continue to be the official advertising organ for these competitions or whether the act will be revised so that we may not henceforth count upon publication in the *Canada Gazette*.

Mrs. Fairclough: Mr. Chairman, I am told that this matter is under active consideration at the present time. Probably time has caught up with the practice which has been effective, now, for some years. Actually the commission relies on advertising in the post offices and in newspapers; the *Canada Gazette* is really the official record.

Mr. Hardie: Mr. Chairman, I wonder if the Secretary of State would check with the various departments of government which hire workers, especially in the northland, and recommend to them that they pay one scale of wages for a particular job. What is happening now, usually in regard to the hiring of native labour, is that the Department of Northern Affairs and National Resources will hire an Indian to do labouring work and pay him $1.20 an hour. The Department of Citizenship and Immigration will hire a native in the same community to do labouring work and pay him $1.00 an hour;

then some other department will come in and hire the same people as labourers at $1.40. I wonder if the Secretary of State will take the trouble to advise the departments concerned that the rates should be the same, and I hope she will recommend the highest rate.

Mrs. Fairclough: Mr. Chairman, I understand that Miss Addison, the commissioner, has just returned from this territory and is making a report on this condition. It is probably a matter of the rates for certain types of work, but nevertheless it will be looked into.

Item agreed to.

The Chairman: That completes the estimates of the Department of the Secretary of State.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

Administration services—

213. Departmental administration, $530,620.

(*Translation*):

Mr. Dumas: Mr. Chairman, I wonder if it is the minister's intention to report to the house on the activities of his department.

(*Text*):

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Chairman, my statement will be a short one, on account of the fact that these estimates were prepared by the former government.

Mr. Gauthier (Portneuf): Good estimates.

Mr. Lesage: Well prepared.

Mr. Comtois: I hope so, but they have not been discussed yet. Wait for the criticism.

Since the date of my appointment as minister of this department I have carefully examined these estimates, together with my officers, and as a result it has been found possible to divert approximately $500,000 to other requirements which were not foreseen at the time these estimates were prepared. Specifically, about $250,000 was used to help defray the cost of the general salaries revision of May 1, 1957, and a smaller amount was used to assist in settling accounts resulting from the grounding of the C.G.S. *Baffin* in July, 1957. Hon. members will appreciate that had this action not been taken it would have been necessary to request additional funds by way of supplementary estimates in order to cover these items.

It must be borne in mind that the efforts of my department are concerned mainly with national development and scientific research and, in such directions, a maximum effort is required at the present time to enable us to keep pace with rapidly changing requirements in the scientific and technical fields.

Before closing, Mr. Chairman, I should like to ask the committee whether it would agree to postponing questions or discussion with regard to coal, or the dominion coal board, until we reach items 238 and 239. I hope everyone will agree that this be done in order that there may be no confusion in the discussion of the different items.

The Chairman: Is the committee agreed that discussion on the question of coal be deferred until we reach items 238 and 239?

Agreed.

(*Translation*):

Mr. Dumas: Mr. Chairman, I had hoped that the minister would avail himself of this opportunity to report to the house on the activities of his department. I understand however that the estimates of the Department of Mines and Technical Surveys were prepared by the previous administration, and this naturally accounts for the brevity of his remarks. Still, I am pleased to note that the minister has had no comment to offer on the remarks made by his colleague, the Minister of Finance (Mr. Fleming). The latter had stated that there had been an enormous amount of waste and extravagance in government departments. The fact that the minister has had nothing to say shows that, in his department at least, there has been no evidence of either waste or extravagance.

Mr. Chairman, I have a few remarks to make with regard to the mining industry. However, before going any further, I would like to offer my warmest congratulations to the Minister of Mines and Technical Surveys (Mr. Comtois) for the great honour which has come his way. He is now at the head of a very important department and I wish him every success. I know that he will grant every request we may have to make of him.

(*Text*):

Mr. Chairman, I was hoping, too, that the minister would take this opportunity to give us a more complete answer to the question I put to him on October 16 regarding the amendment of the Emergency Gold Mining Assistance Act. I was hoping that the minister would announce that the Emergency Gold Mining Assistance Act was to be amended so as to make it more profitable for gold mines to operate and thus more profitable to the gold miners, to the small property owners in the mining communities and to those who are dependent on this industry.

I should like to take this opportunity also to tell the minister that he is very lucky to be in charge of such a department as the Department of Mines and Technical Surveys, because he has under him a group of men and women who are devoted, who are very able and I know they will facilitate his work.

In the past the heads of the different branches of the department have done some excellent work. Their employees have done whatever they could to improve the services of this department. Therefore, I wish to pay tribute to them for their devotion to the mining industry.

Not very long ago an important event took place, Mr. Chairman. From September 8 to October 9, 1957 Canada played host to the sixth commonwealth mining and metallurgical congress. In fact, we were hosts to an imposing group of mining people from 35 different countries. To show the importance of this congress I think it would be appropriate for me to read what was published about it in the *Northern Miner* of October 17:

> As a means of showing Canada's mining skills and wares to the world—to say nothing of displaying her scenery, her vastness, and her varied resources—it was an unqualified success. We doubt if any industry in any country has ever had a finer opportunity to place itself under scrutiny. Visitors from all over the world saw Canadian mining in wide perspective. They were able to see its diversity, observe its magnitude, study its enterprise, and evaluate its potential.

The article goes on to say:

> We think, however, that the congress did more than all this. While primarily a Canadian exposition, it permitted many people from many countries to meet each other, to exchange ideas, to compare notes and problems. Everyone on the tour learned much about Canada, of course, but it is a good guess that he learned much about many other countries, as well. Such a growth of acquaintanceship can work wonders in the spreading of understanding, the establishment of friendships, and the deepening of international appreciations.
>
> The sixth commonwealth mining and metallurgical congress did not just happen. It resulted from many months of planning and hard work by a great many enthusiastic workers on many committees in many places. To all of them goes unlimited credit for a task that was ably accomplished.

I wish to say here, Mr. Chairman, that some of those who worked hard on organizing this congress are precisely those who are on the personnel of the Department of Mines and Technical Surveys. Then, many other organizations did some good work in making this congress a real success. For myself, I had the pleasure to attend one of the meetings of the congress and I can say I was surprised to see the size of it and to see the interest in our mining industry of those who were visiting Canada.

There are other questions on which I should like to say a few words. I should like to deal mostly with the present situation in our mineral production. There are some soft spots in mineral production in Canada, and I am sure that when we see the statistics at the end of the year we will find that mineral production has suffered a substantial setback. The volume of mineral production for 1957 will be down not only in value but in physical volume as well. In 1956 the total production amounted to $2,068 million and the physical volume had increased by nearly 275 per cent as compared with 1935. There will be a substantial decrease and, of course, the decrease will be mostly in the metallics division.

If hon. members will look at the statistics for the end of July—these are the latest statistics we have on the production of Canada's leading minerals—they will find that the production of copper is down in 1957; the production of gold, lead and zinc is down and the production of silver is also down. By the end of the year we shall find that for the first time since 1946 the total value of the production and also the physical volume of production will be down.

We have a special problem in the lead and zinc producing industry. At noon today I read an article in the *Financial Post* of November 23 which was entitled:

> Canada Looks Like Losing U.S. Lead Tariffs Fight

I am afraid that within the next few months the zinc and lead producers in the United States may succeed in convincing the special tariff committee of the United States to increase the tariff on zinc and maybe establish quotas. Of course, in this matter the President of the United States has the last word and I hope he will not permit this increase in tariff because it would be very detrimental to the industry in Canada.

The zinc and lead producing industry in our country is a very substantial one. In the production of zinc Canada ranks second only to the United States. Of course, the largest producers are in British Columbia. The second largest producer is the Flin Flon mine in Manitoba. Lead and zinc mines producing ores and concentrates are also found in Quebec, Ontario, New Brunswick and Newfoundland. The trouble with the industry right now is the low price for zinc and lead, especially for zinc. The price is 10 cents a pound in the United States and Canada and I think it is only 8½ cents in the United Kingdom.

This is a difficult situation and if on top of this low price the United States decides to impose tariffs on zinc, which may be as much as 2 cents plus per pound, the industry will be in a very difficult situation. It is estimated that already Canada has shown co-operation with the United States. The mines in the United States complain that Canada is exporting too much lead and zinc to that country but this is not a fact. We have cut down our exports to the United States by a substantial amount. We may not have cut down our exports of zinc but we have reduced our production. I am told that it is estimated that cut-backs, closures of mines which were forced to close on account of the low price and a general decline in production will

account for a 20 per cent reduction in production compared with 1956. This will mean a loss of production of some 80,000 tons of zinc during 1957.

Therefore we are hoping that the President of the United States will see his way clear to veto the decision of their tariff commission and that the tariff will not be increased so that our mines will at least be able to continue on a reduced scale in the production of refined zinc and zinc concentrates. If the president cannot do anything or if he is forced to agree with the tariff commission and increase the tariff, I think our government should look into the matter very carefully and maybe do something. Of course, I do not think that to retaliate against the United States, as was suggested, would be a good thing, but on the other hand if our lead and zinc industry is to suffer to the point that many of the mines have to close then I think something should be done.

It is a fact that many United States smelters depend on concentrates mined more particularly in the eastern part of Canada, in Quebec, Ontario and Newfoundland, in order to operate. Therefore I ask myself if it would not be wise for the government to study the proposal of encouraging the construction of a smelter in the eastern part of Canada in order to take care ourselves of our own concentrates. A very small quantity of concentrates is shipped overseas. I do not think any is shipped to the United Kingdom. We ship refined zinc to the United Kingdom, and if we were to refine more of our own zinc maybe we could find markets elsewhere in order to dispose of part of our zinc production.

I understand that this is a difficult problem because there is overproduction in the world having regard to the amount of consumption. Therefore there have to be cutbacks and some low-grade mines may have to close. On the other hand, it is very important that most of our mines be kept in operation. Moreover, in spite of the fact that we have overproduction I say that we should keep on looking for new mines.

During the last few months a discovery was made about 90 miles north of Senneterre, Quebec, and it would look as though there is a large deposit of zinc, lead, copper, silver and gold. It looks very much like the deposit will contain around 12 per cent zinc, one per cent copper, one or two ounces of silver and a few dollars in gold per ton. It would be very unfortunate if such a large deposit were left there unmined. The mining of the ore would probably provide a considerable amount of work for many men because actually the situation is the same in northern Quebec and northeastern Ontario as was explained to us the other day by the hon. member for Coast-Capilano with respect to the Britannia mine in British Columbia.

Today we had a report by the Minister of Justice about the situation of the Britannia mine. Here is a mine that has the ore, a mine with the organization to keep itself in operation. If the mine closes those people will have to move. I think these problems are quite serious and I hope that the government will give consideration to what was suggested by the hon. member for Coast-Capilano and other members on all sides of the house who are interested in this particular mine in British Columbia.

It is important, as I said a few minutes ago, that we continue to search for new mines because if we wait until we need the product it may be too late. I think the United States are making a mistake by trying to force some of the Canadian mines to curtail their operations and search for minerals. We all remember quite well that during the war we were asked to produce more copper, more zinc and more lead, and that even during the Korean war we were asked to increase our production. I hope that these points will be taken into consideration by the United States government when they have to decide whether or not they will increase the tariff and impose import quotas.

I should like to refer to another industry which is classified under the fuels division. I read an article about oil production and apparently oil production is going at a slow speed in Alberta. In the *Financial Post* of November 2, 1957 there is the following:

> On the oil and gas front—Crude oil nominations in Alberta for November dropped to 289,618 barrels daily—first time since May, 1955 that nominations have slipped below 300,000 barrels a day.

I am not an expert on oil but I understand that those who are experts expected that production would increase during 1957 and they were predicting a very high rate of production for 1958. Apparently the production in 1958 will not be much higher than that of 1957. These are some of the problems with which the Department of Mines and Technical Surveys should be concerned.

I understand that the matter of tariffs is properly the business of the Minister of Finance. Nevertheless, it is the duty of the department of mines to see that the industry is healthy, and the minister could and should make suggestions to the Minister of Finance to ensure the healthy state of this industry.

In so far as the copper industry is concerned, of course the price of copper came down and yesterday I think it was 27 cents in the United States and 25 cents both here and in the United Kingdom. Some mines have experienced difficulty in selling their

copper at even 25 cents and have had to accept a lower price. This is not a matter about which the government can do much because it is governed by demand. Nevertheless, it is tragic in a way to note that some of the mines have closed down. It is tragic also to see prospecting and the search for new copper mines declining. The companies are spending less money for exploration. This is not a good thing. It is not a good thing for us and it is not a good thing for our neighbours to the south. Our neighbours to the south are finding that their reserves of minerals are low, in all minerals except perhaps oil and coal. This situation is especially true of the metallic division.

Some day the United States will be coming to us for minerals. We know that the United States companies have invested large amounts of money here and those companies have engaged in prospecting and exploration. Now, however, our friends from the south are trying to hurt the Canadian mining industry, especially in the way I mentioned earlier, and they should not do that if they want to continue to be on a friendly basis with us. They should be very careful what they are doing.

I do not wish to take too much of the time of the committee, but I cannot allow this occasion to pass without speaking about the difficult situation in which the gold mines find themselves. I feel that the proper time to say something about this is during the consideration of the estimates of the Department of Mines and Technical Surveys. If I say something about the gold mines, I do so on behalf of the gold miners, the ordinary working men and businessmen, the property owners in all the mining communities in Canada. I have a number of mining communities in my own constituency. There are many such communities in the constituency of Timiskaming and in the constituency of Timmins. There are some in British Columbia, some in northwestern Ontario and some in Manitoba. When I say that more help should be given to the gold mines, I am speaking on behalf of the people who live within those communities or in the smaller communities near large centres.

In northwestern Quebec, and the same situation applies in northeastern Ontario, if it were not for the mining industry there would be very little left for those who wished to work and to continue to live in those sections of our country. There would be the lumbering operations, but they are seasonal. The mining industry is the main industry in this part of our country. In the past, parliament has, as a whole, always endorsed whatever amendments or extensions were introduced to the Emergency Gold Mining Assistance Act. I have heard so much from the Minister of Finance, when he was on this side of the house, in support of the gold mines that I feel we should not be too worried. On the other hand, on October 16 when I put a question to the minister of mines he said that he and the Minister of Finance had received a delegation, and with the officials of the department were exploring ways and means of increasing the benefits under the Emergency Gold Mining Assistance Act. Although the minister did not use those words he could not be considering decreasing the benefits so I deduced that the government is thinking of increasing the benefits under that act. Since that time we had not heard anything and the people in all parts of the country who are concerned with the gold mining industry are very anxious to hear from either the minister of mines or the Minister of Finance as to what is going to be done to help the gold mining industry.

The other day the hon. member for Timmins said something that I did not like very much. He implied that now somebody would be talking for the gold miners and the gold mining communities. I can tell him that if he reads the speeches I made during the last eight years he will find I never missed an opportunity to speak for the gold miners and the gold mining communities, as did many other members in this house. When we speak of the industry, naturally we speak of the gold mines, but when we are asking for some help we are asking that help for the gold miners and the gold mining community.

The Deputy Chairman: I am sorry, but I have to advise the hon. member that his time has expired.

(*Translation*):

Mr. Chevrier: Mr. Chairman, I know the hon. member for Villeneuve (Mr. Dumas) will forgive me if I do not follow up the excellent speech he has just given on the mining industry in his constituency.

I am very glad to take part in this discussion on the first item of the Department of Mines and Technical Surveys, and take this opportunity to congratulate the minister, not only on his appointment to the post which he occupies at this time but also for the courtesy he shows towards hon. members in his answers to their questions and in his general attitude towards them. I might add that some of his colleagues would profit greatly by following his example.

(*Text*):

I should like at this stage, sir, to take advantage of your presence in the chair to tell you how pleased I was with your appointment, and to congratulate you and wish you well in the new honour which has fallen to you. I pause for a moment to do that because

you and I were next door neighbours for a period of many, many years as members of this house. I want to take advantage of the opportunity when you are in the chair to tell you sincerely, notwithstanding anything that might have happened in the house either recently or over the many years which I have been a member of the house, that I hold you in the highest esteem. I am very happy to see you occupying the position which you now hold.

I rose, Mr. Chairman, to deal with a question which, to me at least and I am sure to many other hon. members whom I will mention in a moment, is of the utmost importance. I refer to the demarcation of the boundary line between the southerly limits of the provinces of Ontario and Quebec on lake St. Francis. This is an old and vexatious problem. It is an old problem because it has existed over 40 years. It is a vexatious one because it has been the cause of a great deal of difficulty to those people who reside on both sides of an imaginary boundary line.

The hon. member for Stormont, my predecessor, has referred to this question on a number of occasions. He has shown a keen interest in it by the questions which he has asked. I am sure he has contributed in no small measure to bringing the question to the attention of the house and that is perhaps about all that can be done.

Along with other hon. members who are familiar with the British North America Act I realize that it is not within the jurisdiction of the minister to settle the question. But nonetheless, I think the minister is in a position,—for the reasons which I will give in a moment—because of the position which he holds, to use his influence or that of his department to bring to the attention of the provinces of Ontario and Quebec this matter which is causing great concern to the people of both provinces who live on either side of the boundary line.

The department over which the minister presides I think has a particular interest, first because of the fact that in that area there lies large numbers of islands, the property of the federal government in trust for the Indians and it is not possible to know in what area, either Quebec or Ontario, these islands are.

Another important reason which I think should interest the federal government is the fact that the St. Lawrence seaway authorities have given no less than $6 million worth of contracts, numbering about six or seven, for the deepening of the St. Lawrence seaway in lake St. Francis, which contracts are now in the course of being executed and where it is impossible to know whether the work being done is in the province of Ontario or in the province of Quebec. Hence it is a ridiculous position for another crown agency to be in.

If I may, I should like to take just a moment or so to give a quick historical background of the situation. It was in the year 1914, more than 40 years ago, when a trapper was apprehended by a Quebec game warden on a place called Ross island. The Quebec game warden maintained that the trapper was in contravention of the law of the province of Quebec. In other words, he maintained that the island was in the province of Quebec. The game warden went on to state that he had authority to lay a charge under the game and fisheries act of the province against the trapper. It was at that time that the authorities of both provinces began to look into the question, and here is what took place.

Evidently they went back to the original statutes which existed. I hold in my hand the first one or at least one of the earlier ones. I should not say it is the first one because it is not. It is 52-53 Victoria, chapter 28, an imperial statute entitled the Canada (Ontario Boundary) Act. It was passed on August 12, 1889. It goes on to say this:

> And whereas such boundaries, so far as the province of Ontario adjoins the province of Quebec are identical with those fixed by the proclamation of the Governor General issued in November, one thousand seven hundred and ninety-one, which have ever since existed:

And one of the clauses of the act reads as follows:

> 2. It is hereby declared that the westerly, northerly and easterly boundaries of the province of Ontario are those described in the address set forth in the schedule to this act.

Hence even from this early statute of 1889 it is clear that the northerly, westerly and easterly boundaries of the province of Ontario are established but that the southerly boundary which is along lake St. Francis was never delineated. One must therefore go back to the statutes of Upper Canada and the statutes of Lower Canada in order to ascertain where that boundary resides. The Consolidated Statutes of Upper Canada, 14 and 15 Victoria, chapter 4-5, section XI, reads as follows:

> The limits of the townships in the county of Glengarry shall in like manner extend to the middle of lake St. Francis, and to the middle of the main channel of the river St. Lawrence, but shall also include all the islands not herein otherwise provided for, the whole or the greater part of which shall be comprised within the outlines of the said townships so prolonged.

The corresponding statute for Lower Canada, which is chapter 75, section 62, of the Consolidated Statutes of Lower Canada, reads as follows:

> The county of Huntingdon shall be bounded . . . on the north by the river St. Lawrence, including all islands nearest to the said county and wholly or in part opposite to the same;

From those two statutes in both Upper Canada and Lower Canada, which were afterwards included in the consolidated statutes of the province of Ontario and later the province of Quebec, it became quite clear that the boundary was in the middle of the channel. The point was: Where was the channel? That was the difficult point.

After representations had been made by the federal government to the respective provinces a commission was established to inquire where the middle of the stream was or in other words where the boundary line lay between the two provinces. The commissioner for the province of Ontario, Mr. Rorke and the commissioner for the province of Quebec, Mr. Cote, in 1926, following their appointment as a commission, undertook to settle the question and together they were able to succeed in delineating the boundary on lake St. Francis from the westerly limit of the province of Ontario at Point Beaudette to a point about 300 miles south of Ross island. Beyond that they could not agree.

At that stage the province of Ontario suggested to the province of Quebec that they pass legislation and asked the federal government to approve it. The province of Quebec felt that that would not be the proper course. The province of Quebec said that until the whole boundary line has been delineated from Point Beaudette to the international boundary line opposite the city of Cornwall it would not be advisable to seek legislation from the federal government. However, at a later date the commission was established again and the boundary was delineated for another several miles until now an agreement has been reached between the two provinces to a point opposite what is known as Hamilton's island.

But there still remains another ten miles of boundary line to be delineated between the two provinces. There still remains also the question of having that part of the line upon which an agreement seems to be arrived at consolidated by legislation.

I bring the matter to the attention of the minister because I know of his interest in it. I know that he will want to do what is possible within the realm of his responsibility to have the boundary agreed upon. I should say to him that for many years I have tried to have something established with reference to the line; I have not been successful and it may be that where I have failed he will be successful. I wish him every success in that respect. I understand—and I say this with all deference—that he is a close friend of the premier of the province of Quebec.

Some hon. Members: Oh, oh.

Mr. Chevrier: It may be that he might be able to prevail upon that gentleman that this is really a question of importance, not only for the residents on both sides of the line but also in the general interests of Canada. My colleague in this house, the member for Stormont, I am sure will want to add some words in due course with respect to another reason which I will not pursue at this time because I am sure he will want to do so, but there is another reason of great significance to another department of government which will also be dealt with in due course.

There is this added feature that from time to time people who are either fishing or trapping or hunting in the area extending from Point Beaudette to almost the city of Cornwall, a distance of 30 miles, often do not know in which province they are actually doing these things. I mentioned a moment ago the inconvenience with which the seaway authority might find itself placed. I am not able to point to any particular inconvenience at the moment but I do know this: when the wage rates are different in one province as compared with another, when the unemployment insurance benefits and workmen's compensation benefits are different in one province as compared with another, and when many workers are engaged in work in an area which has not been demarcated, it then becomes difficult to ascertain certain facts.

I therefore make the suggestion to the minister, which does not seem to be unreasonable, that he should in my opinion—and I say this with all deference to him—call a conference of the representatives of the province of Ontario and the province of Quebec here in Ottawa and ask them if they will not set up a commission to complete demarcation of this line from the point upon which they have agreed, beside Hamilton's island to the city of Cornwall, so that we can have the southern boundary of the province of Ontario and the northern boundary of the province of Quebec in lake St. Francis delineated and that it can by statute be approved by this parliament.

Mr. Herridge: Mr. Chairman, I understand that we expect an important visitor about this time. Can I intrude into the arena of debate at this time?

The Chairman: Proceed.

Mr. Herridge: I rise on this occasion to make my annual appeal—I think it is my seventh—for the reference of these estimates to the committee on mines, forests and waters which has been in a state of suspended animation for 15 years. I am not suggesting that the estimates should be referred to that committee at this session because I recognize the shortness of time and

the difficulties surrounding the matter, but I do urge that this be done at the next session.

To me it is fantastic that we should have a standing committee on mines, forests and waters remaining moribund for 15 years when the economic development in this country is concerned so with the development of natural resources. This is one of the two departments whose activities are particularly related to the development of natural resources; the other is the Department of Northern Affairs and National Resources. I think on that account we should have these estimates considered very carefully by the standing committee of the house which is there to do the job if this government only sees fit to get moving into action. In addition, to that, Mr. Chairman, we have an excellent staff—

THE ROYAL ASSENT

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

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

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

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to amend the Old Age Assistance Act.
An act to amend the Blind Persons Act.
An act to amend the Disabled Persons Act.
An act to amend the War Veterans Allowance Act, 1952.

SUPPLY

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

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

Administration services—

213. Departmental administration, $530,620.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Herridge: Mr. Chairman, when the committee rose for nourishment at six o'clock I was making my annual plea for the reference of those estimates to the committee on mines, forests and waters. On checking I have found that I have done that for seven years and I suppose botanically speaking I should now refer to it as a hardy perennial plea. Anyway, I do this because of the importance of these estimates to the country and the importance of the work that is being done.

The committee on mines, forests and waters, as I said before, has been in a state of suspended animation for 15 years. I do hope the minister does something to revive it at the next session of parliament. This committee could do an excellent job; particularly in reviewing the estimates of this department, those of the Department of Mines and Technical Surveys and the Department of Northern Affairs and National Resources.

This department is a very important one because the work it undertakes is very closely related to the development of the natural resources of this country and our greatest economic activity has been centred around the development of those resources. In this department we have an excellent staff of capable persons who are doing a magnificent job behind the scenes. Unlike some of us who sometimes know little and say much, these people are technically trained and give close application to the problems which are of great concern to the Canadian people and are of great value. If we only had the opportunity to hear what is being done in this department from the officers and staff in general we would be much better informed of the value of the work and the work of the department would be much better understood across this country.

The work of the staff of this department and of a number of other departments of government is done behind the scenes. The staff is unsung, unheard and largely unknown. In this respect I cannot help but think of those lines in Gray's Elegy In A Country Churchyard:

> Full many a flower is born to blush unseen,
> And waste its sweetness on the desert air.

If we had an opportunity as members of this house to discuss these estimates before the committee, to receive information from the officials and staff and to ask questions, it would be a great advantage to us in coming to conclusions which would give us a much better understanding of the valuable work which this department is doing and also, as I said before, widen the knowledge of this department's work among the people of Canada. This is a very important department at this particular time.

In addition to that, Mr. Chairman, it would relieve the committee dealing with the main estimates of a certain amount of work and I trust the committee will be established at the next session of parliament and so provide a

great opportunity for a much better understanding of the work being done at the present time.

In this department, Mr. Chairman, we have five branches. The mapping branch deals with surveys. The hon. member who spoke prior to me before six o'clock gave a good illustration of the valuable work that the department is doing and can do. Another branch undertakes geological surveys of Canada. The mines branch is carrying on work of great value to the mining industries around the country. We all know of the valuable work which the dominion observatory does. The work of the geographical branch is most interesting and important and I am sure hon. members will enjoy hearing about it.

I see a rather more favourable impression on the minister's face than I have seen on previous faces. I trust that my plea at this time will receive favourable response when the minister meets the house at the next session of parliament. I do urge him to give consideration to this question and give us an opportunity to hear something more about the work of this department.

The last time I spoke on these estimates I took advantage of the opportunity to deal with the cruise of the *Neptune* and the taking possession of Ellesmere island for the Canadian government and the interesting part taken by Dr. Borden, a long-time constituent of mine, a surgeon and botanist on the expedition. Later on, as many hon. members will recall, I presented to the former minister of mines and technical surveys the only known copy of the proclamation which was read at the time of the taking possession of Ellesmere island during the cruise of the *Neptune*. That copy is now in the archives of Canada.

However, tonight I want to deal with another matter of serious concern to many of my constituents and to the people of British Columbia. I refer to the situation in respect of base metals which today in Canada generally are facing falling prices and declining markets. Before I deal with this matter I want to tell the committee that I shall not detain it at great length. This situation, which recurs in the mining industry possibly more than in any other industry, is clear evidence of the necessity for some overall national planning in this country and some greater co-ordination of the activities of the federal and provincial governments throughout the country. In fact, I think this problem could be faced much more effectively if there was co-operation between the federal government, the provincial governments, the industry, and the employees in the industry concerned. I think we could do a great deal as the result of that co-operation to plan more effectively the production of the base metals in this country, their utilization and sale and the development of the natural resources wherever they are found.

Now, I wish to bring to the attention of the committee a most interesting submission to the government of Canada on the situation in the non-ferrous metal mining industry by the international union of mine, mill and smelter workers in August, 1957. I might say that this submission was given very careful thought by rank and file meetings of the union membership, which totals about 34,000 in Canada at this time, and then by officials of the union and their research officers before it was finally drafted. I just wish to quote two or three paragraphs from this submission because I think they are quite significant. The submission, which deals with the general situation, has this to say with regard to the drastic drop in base metal prices:

> Base metal prices have fallen drastically this year. The Canadian price of lead is now 13¼ cents a pound, down 2¼ cents from the price of 15½ cents a pound at the beginning of the year. The price of zinc is now 10 cents a pound, 3½ cents below the price of 13½ cents at the beginning of the year—a drop of no less than 26 per cent. The present price of copper in Canada is 27⅞ cents a pound, down from 34¾ cents.

That was at the time this was written. I continue:

> But the price of copper fell even more in 1956 than it has this year; 14 months ago it was at 46 cents a pound.

That indicates the problems facing the base metal mining industry and the fluctuation in prices of metals at this time. I continue:

> Marginal producers cannot continue operation in the face of price reductions of this order. Large and well-established producers are also cutting back production in an effort, as they see it, to prevent a further fall in prices, and to bring the supply of metals into some kind of balance with demand. In either case, the main burden and hardship falls on the workers, their families and the communities affected.

Then the brief goes on to deal with the effect of the proposed U.S. tariffs on these vital interests in Canada and concludes with this:

> Finally, the proposed tariffs would add enormously to the instability and insecurity of base metal mining. The industry would become even more one of boom or bust. When prices were high, the United States market would be open and demand would surge ahead of supply. New mines would be developed and opened up, new workers would be employed, new towns built, or old, ghost towns revived.

That has happened in British Columbia in recent years.

> When prices fell, the United States market would be closed, demand for Canadian metals would fall

off all the more, and the downward pressure on prices would be increased. As the *Financial Post* reecntly pointed out:

"Instead of a steady market with reasonably stable employment and production for Canadian producers, this country would become merely an emergency source for the United States, a place to turn for extra supplies when the home interests couldn't or wouldn't produce enough."

That was in the *Financial Post* of July 20, 1957.

This quotation recalls a statement which the same paper made during the previous metals crisis—

I think that was in 1953.

—when proposals similar to the ones now being made for sliding scale tariffs on imported metals were under discussion in the United States Congress.

I understand the matter has been laid over at the present time in the United States but there is no question that it is going to be a matter for discussion in congress early in the new year. I now go on:

"It (the tariff plan) is a shameless attempt to safeguard the marginal producers in the United States by turning Canadian and other efficient exporters into a kind of temporary supply on which the United States will draw only when prices are abnormally high and United States mines cannot meet the demand. Some of these protectionist congressmen have got to be shown that the rest of the world does not exist solely to serve the convenience of the United States."

That is also a quotation from the *Financial Post*. A good many Canadians are now coming to that point of view.

We understand that the position of the Canadian government is similar to the above, and that protests to this effect have been made to Washington. But they have fallen on deaf ears, and it is plain that something more is needed if the United States is to be made to give proper consideration to this country's vital economic interests.

That is what we in British Columbia believe, that something more is needed than just a verbal protest to Washington. In concluding my quotations I want to quote the final paragraph in this most interesting submission:

In 1952 the United States government urged Canada to expand production and increase exports to the United States by diverting from Canada's normal markets. This is brought out in the submission of the Canadian metal mining association to the United States tariff commission in November, 1953, which stated:

"In the years following world war II the demand for metals continued to grow. The competition for supplies throughout the world was such that lead and zinc were difficult to obtain, and prices reached very high levels in those countries where prices were not controlled. Even as recently as early 1952 the United States government was urging Canada to expand production and to increase exports to the United States. Even though this meant diversion from other normal markets and from markets where prices were much higher than those prevailing in the United States, Canadian producers complied at considerable financial sacrifice. The Canadian industry stood by the United States at a time when its need was stated to be urgent, and Canada is practically the only country from which the United States is assured of supplies at all times, whether under peacetime or wartime conditions."

Now that markets and circumstances have changed somewhat in the United States that is all forgotten and there are proposals to increase tariffs that will seriously affect the mining industry in British Columbia and across Canada. I do urge the government to take courageous and strong action to meet this situation. I do not underestimate the difficulties. These problems are all complex in our modern society but I am one of the good many in this country who think it is about time that the government of Canada stood up to these people and showed them that we are not going to be pawns of the United States so far as the development of resources, trade and industry is concerned.

Mr. Hahn: What do you suggest we do?

An hon. Member: No answer.

Mr. Herridge: Mr. Chairman, the hon. member for New Westminster asks me to suggest what we should do. I am coming to that point on another issue. I am going to suggest a method of approach which looks like being successful in the near future. We do not know exactly what the present government has done to meet this growing threat, and when the minister replies to the remarks of various members on this item I should like him to say what has been done by the government of the day to meet the situation or what the government proposes to do. The hon. member for New Westminster asked me what would we do in this situation. I think I indicated in my opening remarks that we have a somewhat different approach. I cannot take the time of the house to go into our policies in that respect in full, but we believe that these situations arise because of the lack of a national policy for development and a national plan for investment in this country.

Mr. Hahn: Hear, hear!

Mr. Herridge: We believe that if we had some policy of that type we would not have this boom and bust in the mining industry and in other industries. I am very pleased to hear the hon. member for New Westminster say "hear, hear". We are together on that point.

Mr. Hansell: You did not tell us what the plan was.

Mr. Herridge: Mr. Chairman, the hon. member for Macleod is so inclined to stimulate his miscroscopic ego by irresponsible, irrelevant and innocuous remarks that make no impression on the Speaker, or this house. I was going to point out that a new approach on a co-operative basis had been shown and

I think that was demonstrated the other day. As the member for the constituency in which the mine is located the hon. member for Coast-Capilano gave a very good recital of the situation that exists with respect to the Britannia mining company and its employees. He explained how the price of copper had dropped, how the company was losing large sums of money, how they then discussed the matter with the employees and agreed to continue to lose a considerable sum of money per month if the employees would forego certain benefits that were due at that time under their contract.

Both the company and the employees made certain sacrifices so that the mine has continued to operate since that time. Then the price of copper fell again and created a new situation in which the losses of the company were greater than it could consider carrying for very long. The union again made a very close study of the situation and also discussed it with the management. Their first action was to call together all the British Columbia members of all parties and the matter was discussed at a meeting held in the Hotel Vancouver over a period of two days. There were members of all parties present who were all sympathetic, and I am very pleased that after the union representatives had presented their difficulties and explained the circumstances there was unanimous agreement among the members from British Columbia on a telegram to be forwarded to the government of Canada in this connection. I will not go into the exact details but they agreed in principle that this matter should receive sympathetic consideration from the government of the country.

As I said before, the situation has deteriorated further since we came to Ottawa. National officers of the union and officers of the local concerned came to Ottawa and called another meeting of British Columbia members of all parties which they gladly attended. After a further explanation of the developments and difficulties in the industry those members once again supported the representations to the meeting, later to be presented to the government. I understand that the union representatives then met some members of the cabinet who gave them a sympathetic hearing. As we heard today, the Minister of Justice when in Vancouver made a further investigation of the situation and met the management, and we understand that the matter is now under sympathetic and serious consideration by the government.

Now, Mr. Chairman, in my opinion that spirit indicates the approach that will be necessary to deal with some of these questions. I understand the Minister of Justice met representatives of the provincial government, as well as management. It is in that spirit we are going to find solutions to these questions, through co-operation by all concerned, management, labour, the federal government and members from British Columbia. I should like to say, and I am proud to say—I think I am correct in this statement—British Columbia is the only province, the members of which from all parties, when its interests are threatened, can join together and show a common front.

This indicates an approach that can be taken to these questions. I am very pleased that this is somewhat to the discomfort of the hon. member for Macleod. In any event, in my opinion such an approach creates a better understanding of the situation and a greater appreciation of the difficulties in all persons concerned. I am sure that from this problem, from our point of view, will grow a greater appreciation of the necessity to do some planning with respect to the development of our natural resources, their utilization and investment to develop natural resources. It is in that spirit that I see a great hope in the future of doing something effective to meet this situation. This is a temporary, local situation. In the past governments have always reminded me of a forestry lookout. They see a fire and they go to try to put it out. If it rains the fire remains small. They put it out. Usually it continues to burn and does a lot of damage and goes out as a natural result of changed weather conditions; that is the attitude of most governments with respect to the economic fires in this country in the past and at this time.

I trust that this matter will continue to receive the very serious consideration of the government. I should like the minister, when he replies, to let us know what has been done in particular to meet the base metals situation, or what the government proposes. Later on, we shall look for continued favourable reports on the Britannia mine situation.

Mr. Lavigne: I should like to continue a subject referred to by the hon. member for Laurier, that is the demarcation of the boundary line between the provinces of Ontario and Quebec. The hon. member was quite capable of bringing this subject to the attention of the house. I am sure the information will be of value to the minister and his department. I had an opportunity of placing this subject before the house in July, 1956, when I asked the then minister of mines and technical surveys a question. In reply, the minister said as reported at page 6658 of *Hansard* for July 30, 1956:

I had the opportunity to see the records of the department and I find that the correspondence goes as far back as February 1938, when a series of

questions was placed on the order paper and answered by Hon. T. A. Crerar, then minister in charge of this department. I would refer hon. members to *Hansard* of May 18, 1938, page 3241.

Since I became associated with this department there has been further correspondence. On December 8, 1953, I received a letter from hon. Lionel Chevrier, then minister of transport, pointing out the urgency of having this boundary survey completed. Following receipt of his letter, I wrote to the ministers responsible for boundary survey work in the provinces of Ontario and Quebec. The last paragraph of my letter reads as follows:

"You may wish to renegotiate the matter with the province of Quebec (or the province of Ontario), towards the completion of the survey for the demarcation of the line. I am fully aware that this demarcation is the entire jurisdiction of the provinces, but I simply submit that the final survey would prove beneficial to all concerned."

These letters were acknowledged, but no action was taken.

The matter of interprovincial boundary surveys is the responsibility of the provinces concerned. Our department does co-operate when a request is received from both provinces, usually by appointing the surveyor general as chairman of a three-man commission with a representative from each province; who are charged with the responsibility of completing the survey. The costs of such surveys are shared equally by the two provinces concerned and this government.

I can assure my hon. friend that, as soon as requests are received from the provinces of Ontario and Quebec for the completion of this boundary survey, our department will act immediately.

That was the stand of the former government in this matter. I took up this question with the hon. member for the county of Huntingdon in Quebec and the hon. member for Glengarry in Ontario. At that time I was assured of their entire co-operation. However, to this date no steps have been taken to bring this matter to a head. I feel it is very important. As the hon. member mentioned a little while ago, we should be interested as trustees of the department of Indian affairs because of the islands in that district. We, in the county of Stormont are not immediately affected by this boundary line because it touches the county of Glengarry. Our concern arises because many of our people go there as summer residents to enjoy the beautiful view of lake St. Francis and the fishing and hunting that the district has to offer. We find it very inconvenient, because at no time do we know whether we are in the province of Quebec or Ontario. Two years ago the game wardens on both sides of the river were having a field day bringing people to court for hunting or fishing in one province or the other.

You can see, Mr. Chairman, it is quite important that this matter should be settled once and for all. I think that with the new look in this house the government might be able to influence the provincial governments to come to an understanding on this point. As was mentioned earlier, we were concerned in this matter because of the department of Indian affairs, because of our fish and game laws and because of the development of the St. Lawrence seaway. Recently we have been concerned because of the great activity in the area around the city of Cornwall, the eastern limits of which are on the western boundary of the county of Glengarry. The city is expanding rapidly and its very active industrial commission is extending its operations into the county of Glengarry. Recently we had the opening of the Edo manufacturing plant, just east of the city of Cornwall.

What I am concerned with is the development of a harbour in that area, something which will bring about a serious problem if this question of boundary line is not settled. The city of Cornwall will spread to the east into the county of Glengarry but to the south it will touch the province of Quebec. We in the county of Stormont would be very happy if some action were taken in this matter. I hope the minister will use his influence with his party and his good offices to bring the two provincial governments to an understanding on this boundary line question.

(*Translation*):

Mr. Lesage: Mr. Chairman, first of all may I assure the hon. Minister of Mines and Technical Surveys (Mr. Comtois) that I would be the last in this house who would want to embarrass him in any way. The trepidation—or should I say the fear—which was gripping me when I found myself for the first time in the same situation in 1954, is still much too fresh in my memory.

I rise to speak at this stage in the debate because I believe I should bring up a matter which, at the present time, is extremely important as regards the rights of the provinces to crown lands. In order to explain the problem more clearly, I should like first of all, to give some background information, and to be allowed to continue my remarks in English for that purpose.

(*Text*):

The act respecting the Department of Mines and Technical Surveys is chapter 73 of the Revised Statutes of Canada, 1952. Section 5 thereof reads as follows:

The duties, powers and functions of the minister extend to and include all matters over which the parliament of Canada has jurisdiction relating to mines, minerals, explosives and technical surveys.

Under section 7 the minister has a degree of responsibility for the demarcation of boundary lines between the various jurisdictions in Canada.

Earlier this session I had placed on the order paper a series of questions relating to the seabed and subsoil under territorial waters in Canada. The replies to the questions I asked can be found at page 1169 of *Hansard*. One of the questions was with regard to the

crown rights in Hudson bay. The question reads as follows:

1. Are the waters of Hudson bay Canadian waters?
2. If so, are the seabed and subsoil of Hudson bay the property of the crown (a) in the right of Canada; (b) in the right of Canada, Manitoba, Ontario and Quebec; (c) if the answer to (b) is in the affirmative, what part is respectively within each jurisdiction?

The answer given by the Minister of Northern Affairs and National Resources is as follows:

1. Yes. The waters of Hudson bay are Canadian waters by historic title—
2. The law officers of the crown have advised that the control and administration of the seabed and subsoil underlying Hudson bay is vested in the crown in right of Canada.

I asked a second question which was similar with regard to Hudson strait. But of course there the only province which was involved was the province of Quebec. The answer there was similar to the one I have just read. The third question was with regard to the gulf of St. Lawrence where there has been more doubt as to the question of whether the waters of the gulf of St. Lawrence are part of the Canadian territorial sea. The answer to the first question which is substantive, as to whether the waters of the gulf of St. Lawrence are Canadian waters, is as follows:

1. On February 8, 1949, shortly before the union of Newfoundland with Canada, the then prime minister (Mr. St. Laurent) made the following statement (*Hansard*—page 368):

"We intend to contend, and I hope to be able to get acquiescence in the contention that the waters west of Newfoundland constituting the gulf of St. Lawrence shall become an inland sea—

The then prime minister continued along the same line, after which the answer goes on as follows:

The government sees no reason for departing from the principle enunciated in this statement.

On the question about the gulf of St. Lawrence which I had asked in the second part of the question, whether the seabed and subsoil were the property of the government of Canada or whether they were the property of the government of Canada, the governments of Quebec, Newfoundland, Nova Scotia, New Brunswick and Prince Edward Island, the answer was as follows:

2. According to international law the seabed and subsoil under the territorial sea is vested in the littoral state. The law officers of the crown have advised that the administration and control of the seabed and subsoil of the territorial sea is vested in the crown in right of Canada.

Of course, as to the question of whether the waters of the gulf of St. Lawrence, of Hudson bay and of Hudson strait should be considered by Canada as Canadian waters, as part of our territorial sea, I am in full accord with the answers given. But Canada is a federal state and even if, according to international law, the seabed and subsoil of what is now recognized as the territorial sea —to the three-mile limit—is the property of the littoral state, the question of knowing whether this property pertains to the federal government or to the government of the province concerned is a matter to be decided in Canada itself, according to our constitutional law and constitutional practice and the jurisprudence of our tribunals. So I was much concerned when I received these answers, especially the second part of them, in particular the one about the gulf of St. Lawrence, which reads as follows:

The law officers of the crown have advised that the administration and control of the seabed and subsoil of the territorial sea is vested in the crown in right of Canada.

I was concerned for a number of reasons. I remember studying—and I hope my memory serves me rightly—the decisions of the privy council in the cases of the Montreal harbour commission and in that case which is known across Canada as the fisheries case. If my memory serves me aright, I repeat, the decision of the privy council as to the seabed even under tidal waters was pretty much to the contrary of the opinion expressed by the law officers of the crown. Moreover, it has been the custom in the gulf of St. Lawrence for the Department of Public Works of this government to seek and to obtain the transfer of what are known as waterlots whenever the Department of Public Works wishes to build wharves in the gulf of St. Lawrence.

If as is said in this opinion of the law offices of the crown the crown in the right of Canada is the owner of the seabed and subsoil, why should this government seek and obtain from the provincial government of Quebec the transfer of the seabed which they need for the building of their wharves. Moreover, if it is true, as the law officers of the crown say, that the seabed and subsoil in the territorial sea are under the control and administration of the crown in the right of Canada, how is it that the government of Nova Scotia has always had the control and administration over the coal mines off the shores of Cape Breton? These mines are under the territorial sea, of course, or within what is called the subsoil of the territorial sea.

I was therefore greatly concerned with that answer and I wondered if this government was not in the process of depriving the provinces of the ownership of thousands, or even hundreds of thousands, of square miles of property in Canada. I do not affirm one way or the other but I wish to draw this

grave problem to the attention of one of the ministers who has some responsibility for it.

I know that in the subsoil of Hudson's bay, just off the shore of the province of my hon. friend and just west of the coast of Ungava, great mineral riches have been discovered. According to the opinion given by the law officers of the crown, the nickel and iron ore discovered there would be the property of the government of Canada.

I know the hon. minister has always professed to be a great defender of provincial rights; I know this because I listened to him during the last electoral campaign and I have heard his parliamentary assistant say the same thing. I hope they will take up this matter with the law officers of the crown and with their colleagues in the cabinet and will see to it that this opinion is not simply given "off the cuff". I also hope the hon. minister will be able to secure, overnight, an opinion from those law officers explaining and substantiating, with the constitution and with the jurisprudence, that opinion which is mentioned in the answers I have received. As I said, this is a grave problem, and I know the members of this house would not like to have a question of this kind settled merely by some opinion of law officers of the crown. They would wish that the cabinet and the parliament should deal with such a matter. I sincerely believe that the provinces should be consulted with regard to it before any final decision is taken and before any final delineation is made between the boundaries of the jurisdictions of the federal government on the one hand and of the various interested provinces on the other; that is to say those provinces interested in Hudson's bay, Hudson's strait, the gulf of St. Lawrence and the seabed and subsoil of the territorial seas just off our Atlantic and Pacific shores.

I believe I have said enough to impress the minister and the members of the cabinet with the importance of this subject and I hope when he answers he will be able to deal with this matter or, if he cannot deal with it tonight, that he will be able to study it overnight and deal with it tomorrow when we resume the study of these estimates.

Mr. Peters: Mr. Chairman, I rise to speak about the estimates of the Department of Mines and Technical Surveys and I do so having in mind some doubts and hesitations with respect thereto. These estimates were not satisfactory to many parts of Canada when the Liberals introduced them a year ago and I think, because no changes have been made, they still would not be acceptable in many respects today.

[Mr. Lesage.]

I come from a riding in the northern part of Ontario which has a very large mining area. You may know of the Kerr-Addison mine near Larder Lake, which is the largest gold mine in Canada and one of the largest on the continent. We have many other mines in Timiskaming which make up the Kirkland lake gold mining area and one of the very important gold mining fields. This area is well-known across the world. The problem with respect to gold is one of many facing the mining industry today and probably more difficult to solve than any other. We are continually faced in the gold mining industry with the need for an increase in the price of our products. That price is paid as a result of an agreement entered into between Canada and the United States of America a number of years ago. The mines have had to provide for the price of commodities purchased for their operation and we have had to keep in line with the cost of living, but we have found that the price for our product remains the same however as it was in the depression days.

With respect to this department an act was passed called the Emergency Gold Mining Assistance Act. This act has been responsible to some extent for the maintenance and even the very existence of some of our mines. I would just like to refer to what the present Minister of Finance had to say in discussing the Emergency Gold Mining Assistance Act on June 12, 1956 as recorded on page 4972 of *Hansard*. He said:

> I have emphasized, sir, that this measure 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 that 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 far-sighted solutions than are offered by the hand-to-mouth, stop-gap type of assistance that we have in the present measure.

Therefore, I say I am surprised that this type of legislation should have been reintroduced and that these estimates should not have been corrected to take into consideration the previous thinking of the present Minister of Finance.

We should look at some of the communities which have depended on gold mining assistance. Take two examples which were originally under E.G.M.A. in 1948 when it was introduced, the Young Davidson Mine, a subsidiary of the Hollinger Gold Mine of Timmins and, secondly, the Matachewan Consolidated Mines, both of Matachewan. These mines did receive assistance. Today there is nobody in those towns. A wonderful example

is Matachewan. We had a community with a population of 4,000 or 5,000, having schools both public and separate, a fire department, hospitals, police force—completely equipped as a modern town—yet because of the limited assistance which has been paid under E.G.-M.A. these towns are now ghost towns and no people are working in the mining industry in those areas. We have not solved the problem of those communities or even tried to solve it.

Why, I should like to ask, are we interested in gold? I think that gold itself, as a commodity, has absolutely no value except as a means of adornment. If we want to make jewelry out of it, well and good. But the countries of the world when they signed the Bretton Woods agreement and set up the international bank set it up on the basis of a gold standard. We in turn in 1946 agreed to stabilize our gold price at $35 in relation to 13.71 grains of fine gold U.S., so that if we do not want to carry gold about in our pockets we have, to some extent, to support this legislation dealing with our financial affairs.

Personally, I am not too much interested in the gold. What I am interested in is what gold has done for this country. In 1909, or thereabouts, when gold was found in northern Ontario it had the same effect that the discovery of gold had in California; it spearheaded the development of that part of the country. Those young towns were built around the gold mining industry, and if that industry did nothing else it opened up the north of this province and created the communities we now find there. It was responsible, too, for the industries which are dependent on gold mining.

The problem of gold prices was faced when we agreed that if the price of gold was not to change, then emergency gold mining assistance should be paid. I think this assistance must be given, and that it must be increased, not decreased as it has been over the past few years under the former Liberal government. I think it has to be increased to take care of the needs of the communities in which gold is mined. The federal government has shown consideration to the gold mining industry in a number of ways. First, it pays a subsidy if mines cannot produce economically; secondly, it has allowed the gold mining industry three years in which to bring a new producing mine into production, without charging any income tax; and, thirdly, it has allowed gold mines to speed up the amortization of their depreciation. I think it is now time that we should take a further look at the E.G.M.A. whose provisions, as the Minister of Finance has said, were to be only a temporary stop gap.

I should like to suggest that this assistance be increased, but that it be increased with reservations. First, I should like to see E.G.M.A. assistance paid only to mines that need it. I know of some cases where this is not done, because I worked underground in a gold mine for 15 years and I know something about the situation. I am sure the Canadian people have heard of high-grading of gold. Somebody gets away with a few dollars of high-grade and it makes a good story in the newspapers. But many of these mines are being "low-graded". There are high grades in stopes which are shut off, and as a result the Canadian people are financing the production of low grade ore at a time when there is this other ore which would bring profits.

There are, of course, companies which need this assistance in order to be able to carry on at all. I strongly suggest that if this government is interested in increasing employment it should consider spending a few more dollars under the E.G.M.A. for the sake of reemploying a large number of people who have been thrown out of work by the closing down of marginal mines. But if we are going to pay under this E.G.M.A., then I think the Canadian people should insist that the money should go, first of all, to the people who work in the industry, because they are all underpaid at the present time in relation to other hard rock miners. Some, at least, of this assistance should be earmarked for the people who produce the gold.

Machines have been introduced and automation has been brought into the mines as well as elsewhere, and production has risen beyond the expectations that one might have expected from increased wages, but still, this increase which I suggest under the E.G.M.A. should also be paid in such a way that a percentage of it at least should go directly into the communities which are totally dependent on this emergency assistance. Surely if there is anything left over by way of profit, a reasonable amount should be retained locally, but some of these mines are taking the amount that is paid them under the E.G.M.A. and paying an equivalent amount to the shareholders, with the effect that the Canadian people are paying dividends to the shareholders.

According to the estimates, there are inspectors, federal inspectors. In my 15 years underground I never met a federal government inspector. They may exist, but I never met one. If there are any, I suggest they should take a look at this situation in relation to the amount of ore that is held in reserve, the veins that ore is in, and the

assay value of that ore, so that we may ensure a much more honest practice than we have at the present time.

We have a large number of other mines which are closed because they cannot operate at a profit. Many of these are in the Kirkland lake area, and in each case the miners who lost their employment were not absorbed in other enterprises in the communities and had to leave those communities which, in turn, were dependent upon them. If we are going to continue the E.G.M.A.—and I say it has to be continued because we have no alternative at the present time—then we should insist on the requirements I have mentioned, namely that the needs of the miners and the needs of the communities should be met before any money is "divvied" out to anybody else. We have miners working in those mines who have no future. They have no pensions put away for their future. I suggest that some of this money could be used for government assistance to set up a national pension plan for mining and allied industries.

The Canadian people have had a great deal of benefit from miners, probably more from them than they have received from any other class of people in Canada. We find—and I think this can be borne out and has been borne out thousands of times in the past—that we have been able to develop the uranium fields which are so important to the Canadian people today because we have had miners who worked in the hard-rock mining industry for a number of years. It is possible to take one skilled miner and put four unskilled miners with him, but it is impossible to take all unskilled miners and expect to get a mine in operation. The fact that these miners have been able to move from the gold-mining fields into the copper fields of Gaspe, into Belle-Isle in Newfoundland, into the uranium fields in Elliott lake, the new property in Moak lake and the iron industry in the new Helen mining area is proof that hard-rock gold miners who spent their lifetime in the gold-mining industry are easily adaptable.

The industry is very important to the Canadian people because of its flexibility. One of the reasons why it is flexible is that we have the type of people who are willing to make the sacrifice to move from one job where they have security into a pioneering field. If we are to recognize this fact, then we should implement, with some assistance from the federal government at least in the administration of a pension plan. We should institute industrial portable pensions which will cover miners so that they can move from mine to mine and field to field, and still at the end of 20 years be able to retire on some kind of pension.

I am told that not too many miners last more than 20 years in the mines. We have a high mortality rate. Silicosis, heart trouble and all types of pulmonary diseases are prevalent, and some assistance should be given in that respect. I strongly urge that the new government take into consideration this matter of portable pensions for this industry. I should also like to say that of the hundreds of mines that are opened up every year very few exist long enough for industrial pensions under any other scheme.

In Timiskaming we have a number of other problems in the mining field. I think the gold-mining industry is of prime importance to the country. Because of the statements the Minister of Finance has made in the house over the years he must go out and effectively and very vocally ask for an increase in the price of gold from our United States buyers. On a number of occasions in recent years we have seen South Africa, Australia, yes and even France, ask for an increase in the price of gold and Canada has stayed quietly back and let somebody else do it. I think it is time, particularly in the light of what the minister has said over the years, that he take the lead in trying to increase the price of gold because that is the only solution on a long-term basis of this problem.

In my riding we have a number of people going into the uranium fields of Blind River. I would like to suggest to the Minister of Mines and Technical Surveys that some consideration be given to those people because I can see exactly the same problem developing in the uranium fields of Elliott Lake as developed elsewhere. Frankly, I am surprised that we have not heard the representative from that area say something about it. We are hearing today, and we have heard it in recent years, that there are short-term contracts in the Elliott Lake area. We are asking the miners to leave northern Ontario to go into those areas and we are finding that they are being asked to build houses. The National Housing Act will cover them for a period of five years, which is the length of the uranium contracts. From then on there is a kind of half-baked deal between the mining companies and the employees to continue payments for 20 years. I am suggesting that some consideration be given to those people, because I think they are being taken in on the same kind of deal that my friends in the Matachewan area were taken in on, where, after they worked in the industry for 10 years or 15 years, spent their lives there, put all their money into housing and

into the community, found that there was no more occupation for them in that industry.

I would suggest that some of the money given as emergency gold mining assistance be taken and put into secondary industries. Secondary industries could be put into northern Ontario if they do not have to pay any federal taxes for three years, if they could write off their complete depreciation in 10 years and still get a handout besides to help them get their original start. We are going to have secondary industries in northern Ontario and then Kirkland Lake will be a booming community instead of just holding its own. I think we have that obligation, not only to Kirkland Lake, Larder Lake, Matachewan and Cobalt, but to all the other towns that are dependent on mining because, no matter what we do about mining, there will come a day when there will be no more minerals of any quantity, or no worthwhile value, in that rock. Secondary industries must be developed to carry on the continuity of those communities which are hard to build up.

Let me mention Cobalt. I think it is a wonderful example because Cobalt certainly was a great old town. Everybody has seen the sign, or heard of it—if they have not they should go up and see the sign which reads, "Where all the silver comes from". We have seen a boom and bust in the silver market over the years. I have seen Cobalt when you could buy a shack for $10,000 and the next month you could buy the best house in town for $500. We have seen the ups and downs of Cobalt. Nothing has ever been done to stabilize the market for those products.

We have heard some discussion on zinc and copper and I think silver comes in that category; certainly this new metal cobalt comes in that category. I was very surprised to find that last spring the cobalt market had disappeared. There had been a long-term proposition but cobalt could be obtained much cheaper from the Belgian Congo. Is it the desire of the people of Canada to go to the Belgian Congo to buy our cobalt when we have a vast quantity of it already in Ontario and in Canada? I do not think so. Cobalt is necessary as a strategic war material. It is a metal that keeps; it can be stockpiled effectively. It does not deteriorate. We could pile it up in a yard some place and still maintain the cobalt; but we would not be able to get cobalt tomorrow if there was a need for it because there is no development of the cobalt veins in the Cobalt area. The cobalt is there.

But because the mining companys knew it was only a short-term contract, that it was going to run out in a certain period, they said, "Why in thunder should we block out a new supply of cobalt? Development work costs money." Why should they block it out? Because this is free enterprise, and I do not disagree that maybe this is the way they should run it, then we are in this position. We have need for the strategic war metal, cobalt, tomorrow—and the committee should know that cobalt is used in the manufacture of new types of metal. It is used in magnetos; it is used in all steel that is going to be used in very high temperatures and I presume that even in the missile program, which we may or may not be developing, this type of metal is very necessary. If we are going to spend the amounts of money that we as Canadians believe should be spent in this direction then it would be a lot cheaper to do it here than waiting until the need is much greater. If we believe that then we have to do the development work needed because it takes time.

In the meantime this community is existing on a boom and bust economy and I do not think that is the desire of the Canadian people. It certainly is not producing any wealth for the farming community because when people are living on relief you would be surprised how little good beef they buy and how little butter they buy. The farming communities close by are not doing any selling. In my opinion there should be further assistance for these mining communities in the estimates.

Near Kirkland Lake we have a very large iron deposit. It has been drilled and its potentiality has been ascertained. The necessary magnetometer surveys have been made. The amount of ore is very extensive, but what do we find has happened? The same thing has happened as in the case of a great many of our natural resources. Control of the property has fallen into the hands of United States interests. At the present time they have no need to develop the property. I think the Canadian people need that industry developed. I am sure that the people of Kirkland Lake and Dane need that industry developed, and I suggest that something should be done to assist in its initial development. In my opinion the Department of Mines and Technical Surveys has done very little in this regard.

We also have a field of coal in that immediate area which would be a great asset in furthering the development of secondary industries another phase of industry which would help to build up the communities in these areas. There is a large lignite deposit but some money is needed for its development and the establishment of a pilot plant so that we may know exactly how we can get the heat and energy from the coal. This is also something that should be developed under the Department of Mines and Technical Surveys.

There should be more money in the estimates for research. I should like to ask the minister two questions. Will he amend the Emergency Gold Mining Assistance Act, the administration of which comes under his department, to make provision that when a mine receives assistance a percentage of that assistance will automatically go into the salaries and wages of the employees in the industry and into a pension plan for their retirement? Second, will emergency gold mining assistance be paid on a larger scale to mines that are now considered marginal so that they may operate? I think this is one of the ways in which the government can increase employment in all parts of Canada.

Mr. Smith (Calgary South): Mr. Chairman, I propose, as always, to be extremely brief. I should like to say a word in general about the estimates of the department and perhaps comment, and nothing more, on the predicament of what is Canada's largest mineral industry, the petroleum industry. As to the estimates I should like first of all to do something that is perhaps unusual with respect to a government department. As one who comes from the practical side of the industry I should like to congratulate the service or field personnel, particularly those men of the department of geology and geophysics who have for some time now assisted the development of the resources of our country, at times under rather difficult conditions. When I look at the department, Mr. Chairman, the only point which concerns me is whether or not we have taken into consideration the expansion of the development of resources in Canada. I notice that there is actually a drop in the number of geologists. I also notice that the amount of money we are making available to universities for exploration and research has not altered at all.

I think we should remember that what has made our country economically sound has been the exploitation and development of both natural and human resources. I believe we will agree that when we consider these estimates we are dealing with one of the most important departments of government, one which has been treated to some extent in the past as a poor relation of government.

I am going to make two suggestions to the minister. The first has to do with personnel. I do not know how he can expect to retain his staff of technicians having regard to the salaries that these men are receiving from the department. We are going to have to meet the competition of companies involved in the development of our resources. I happen to know something of the replacement of staff in this department. I happen to know also that it is not the intention of the government to try to compete with industry because it is expected that industry will naturally be a higher bidder. But when we expect these men to carry out this important task for us, we must recognize that they are going to have to have salaries comparable certainly to the amount of work they are doing for the department.

The other point to which I should like to make reference is one which the minister undoubtedly will have to discuss with the Minister of Northern Affairs and National Resources, one which has not hitherto been a problem. I refer to the natural resources underlying the national parks of Canada. It is a fact, of course, that there is no resource development of any national park in that sense. Naturally it is not expected that we should immediately open gold mines or oil wells in national parks, but I think we are going to have to recognize that certain areas of our parks represent vast natural wealth under the surface.

It is in this department that the leases or rights are held and therefore there must be some consideration of a future policy between the two departments with respect to whether or not these areas are going to be developed or on what basis they are going to be dealt with. Unquestionably the government is today losing money by way of royalties which they could well use.

I am going to close by referring to something that it was my privilege to deal with in the address in reply to the speech from the throne. I mentioned at that time the problem facing the oil industry, particularly in Alberta but also in western Canada generally. I do not like repetition and I do not intend to bore hon. members with the details. The fact of the matter is that every columnist from one end of Canada to the other has commented on the matter and I could do no more than repeat what they have said. Suffice it to say that the problem we have encountered in western Canada with respect to oil development is fast reaching a crisis in that a depressed industry is in a situation which is going to require assistance, not in the form of subsidies but in the form of intelligent planning with the aid of the federal and provincial governments. I have already expressed my views on how this can best be done and I will not repeat them here.

Perhaps some hon. members may look upon this industry, as is so often the case, as an industry involving only wealthy men and wealthy provinces. Let me reassure you that, while perhaps it is difficult to plead a case for Alberta which gives $20 to a number of its residents from oil dividends, there are still in Alberta a great many young

men and women who today are without work because of the depressed state of that industry. Better than half of the drilling crews are today unemployed. Better than half of the exploration crews are today without work. Consequently, those auxiliary servicing crews that keep them in the field are also suffering.

I cannot help but feel a little frustrated, not with my own party but with the whole area of this eastern section of Canada which, when you complain bitterly about the depressed state of the oil industry, they say to you, you will now be short a few millionaires and they are going to have to get by with last year's Cadillacs. I remind you that a great many of our people, a substantial part of our population, are dependent on this industry. They realize that some action must be taken soon. I am going to sit down after saying this. This industry, which is so vitally affected by the department of mines and of course the geological surveys, has been given a great deal of assistance in many fields by the department, such as the development to some extent of the tar sands which represent the largest known oil reserves in the world. It has given us assistance in setting up what is now known as the mines ministers conference, an organization designed to bring uniformity into the laws on gas and oil in Canada. It has given us assistance through technicians and help in developing better methods for exploring for oil and gas. I am going to suggest, therefore, that a proper lead from government in aiding the oil and gas industry today and in relieving some of the problems that they have, rest with the minister of mines. I hope he will give this his consideration.

Mr. Byrne: In speaking about the unemployment situation on Tuesday afternoon, Mr. Chairman, I made reference to the critical situation that is developing in the lead and zinc industry. The hon. member for Kootenay West and the hon. member for Villeneuve made extensive references to that problem this afternoon. While prices are greatly depressed at this time, we are facing a much more serious situation in the threat of higher tariffs being imposed by the United States. The mine, mill and smelter workers brief, to which reference was made this afternoon by the hon. member for Kootenay West, points out just what may take place if these proposed tariffs are imposed. The union maintains a rather intensive research department in their head office in Toronto, and they have gone to some lengths to show just what the situation is with respect to these base metals.

There is a minimum of fabrication within Canada, so the major part of the Canadian production of lead, zinc and copper is exported. The brief goes on to say that about 80 per cent of the lead, 60 per cent of the copper and over 90 per cent of the zinc is exported. I should think about 50 per cent of the economy of both the east and west Kootenays depends on these base metals, especially lead and zinc. If this proposed tariff were imposed, one can see what would happen. While our market would not be wiped out entirely, it would undoubtedly mean large lay-offs and the curtailment of the industry generally. About two-thirds of our zinc production and over 40 per cent of our lead production is exported to the United States. The proportion of our copper and zinc production going to the United States has been rising quite rapidly. I know that the minister of mines cannot be responsible for any action that may be taken by United States authorities, but I hope he will impress upon the Minister of Finance and the Prime Minister the urgency of this matter so that they will make even stronger representations to the United States than they appear to be doing at this time.

There is another matter that seems to be affecting the mining industry of British Columbia. While it seems to be a purely provincial matter, I believe the federal government does enter into the picture. Some time ago I asked the Minister of Justice to look into bill No. 87, introduced by the provincial government. This bill provides for a tax on minerals of 25 to 50 cents on every ton of ore that is being mined for export. This provision seems to me to be a violation of section 2 of the British North America Act under which the federal government is responsible for the trade of our nation. The bill was introduced for the specific purpose of preventing, in so far as this restriction is able, the export of iron ore from British Columbia. The mining industry itself fears the extension of this legislation to cover other metals. Undoubtedly this fact has had something to do with the depression in the mining industry in British Columbia. The bill has been on the statute books since the last session of the legislature, but was only invoked some few weeks ago.

I know that the Minister of Justice has been very busy, but I am sure he is looking into this matter. I hope the minister of mines also will take the matter into consideration. Undoubtedly the measure was introduced into the provincial legislature in good faith, but the representatives of the mining industry view it with great apprehension. The hon. member for Calgary South has shown his dissatisfaction with what is taking place in the oil and gas industries. I think

if he were to look about him he would find amongst his own colleagues people who have done more to contribute to the depressed state of the gas and oil industries in Alberta than any other group in this house or in all of Canada.

Surely the need for gas sales and gas export would be one thing that would depress the development of the oil and gas industry in that province. I understand that the premier of the province came to Ottawa only recently to make his representations to the Prime Minister in order to see if he would not do something to assure that gas may be exported and marketed in the United States under commitments given by the previous government. I hope that we are not going to find, after the next 15 years or 20 years, that we are left with enough gas in the ground to provide fuel for the next thousand years, as is the condition of the coal industry in Alberta and British Columbia. Had we taken, when coal was first being exported the attitude that seems to be taken over natural gas, those who opposed the export would have looked very silly indeed today. Atomic energy and fuel may soon displace even gas and oil.

But I am sure that the province of Alberta itself has made a thorough study of its reserves. The gas conservation board has been in operation for many years. If they have satisfied themselves—and they are responsible to the people of the province—that they have an unlimited supply ready for sale, we should not attempt to prevent the action they wish to take. I might say again to the hon. member that I think he knows probably as well as does anyone that it has been the attitude of his party that has very seriously affected the gas and oil industry in Alberta.

Mr. Thompson (Edmonton-Strathcona): Mr. Chairman, in view of the remarks of the hon. member who has just spoken and of the hon. member for Calgary South, I should just like to make a few remarks with regard to the gas and oil situation in the province of Alberta. The minister evidently intends to spend over $26 million in his department this year, of which over $10 million will be for salaries and $1¾ million for additional technical advice. It would seem that this would give the department a wealth of technical advice with regard to mines in Canada.

During the now famous pipe line debate and the election the present members of the government felt that the trans-Canada pipe line was an extremely important issue as well as the export of gas. Why is it then that the facilities of the minister's department have not been used by the government? Why is it that the export of gas must depend upon a royal commission which may report some years hence?

Mr. Martin (Timmins): Mr. Chairman, in rising to speak at this time I unfortunately have not the experience of the hon. member for Villeneuve who has had many years of experience in this house and who possibly has had time, as I have not, since this house opened to do some research and study on the mining picture as a whole across this country. I have found that the first month of a new member's time in this house is taken up mostly in finding where to look for what he is looking for. However, tonight I should like to deal with one specific aspect of the mining situation in Canada, one with which I am very familiar. I refer to the situation of the gold mining area in northern Ontario, with particular reference to the communities which are dependent on those gold mines, as was outlined so well by the hon. member for Timiskaming.

I should like to go back a few years to the time when I first arrived in the gold mining area of Timmins. It is necessary to go back to 1934. Possibly there are in this house hon. members whose memory does not go back that far. In fact, I think there may be one or two hon. members in this house who were born just about that time. That was in the middle of the days that have often been referred to as the "dirty thirties". I would not go so far as some hon. members have gone and refer to them as the former days or in fact the last days of the Conservative government. However, those were the days of the depression. Those were the days when men were travelling across this country from coast to coast. They were slandered. They were thrown in jail. They were called hoboes and everything else when, in fact, all they were—the biggest part of them—were merely people looking for a job and not knowing where to find it.

I recall arriving in Timmins in the summer of 1934. I will admit I was quite young at the time. However, during times of depression if you are big enough, you are old enough; and that is the situation in which I found myself. I recall that at that time before you could get a steady job in Timmins you had to overcome competition because there were in the neighbourhood of 5,000 and 10,000 men in the same position that I was in, who had come to Timmins from coast to coast because they heard that times were good in Timmins. I recall that when you could get a job as a spare-time worker they paid you 30 cents an hour up to 10 hours a day and if you worked more than 10 hours a day you were hired by the day

and you were paid $3 a day. That is possibly fantastic in the opinion of people in this era; they possibly find it hard to believe, being used to the trade union movement as we have developed it in this country today. However, I can assure you that my memory is very good. I could name the place where I worked and so forth and so on, but I do not think we need to waste the time of this house by going into the details.

I can also recall when I first started working underground in the Buffalo-Ankerite mines which are closed down at the present time. They are one of the victims referred to by my colleague the hon. member for Timiskaming. It was a low-grade property with a huge ore base but the mine could not meet the problems of the gold mining industry, even with the present gold mining subsidy. The management had changed just before I started to work at this property. We had a new mine captain who used to make it his brag that every day when he went underground he fired the first man he saw regardless of who he was or what he was doing just in order to smarten up the rest of them. I would ask hon. members just to think for one moment of the position of the man who happened to be first seen that day. If he had a family of ten children it never entered the picture at all. He just happened to be the unfortunate man who was to be used as an example for the rest. Actually it was a very silly thing to do because all the men used to hide behind pillars, in the shafts or any place else available so that they would not be the first man seen.

I recall when I first joined the trade union. In those days you had to go into town, circle down through a back alley, go in through a tiny little door, pay your dues, take your union button home and hide it under the shirts in the drawer of your dresser. You dare not even mention the word "union" on the job because if you did so one of the 200 men at the gate would take your job the next day. Times have changed considerably since then but unfortunately, while times change evidently problems stay right with us. Possibly the problems we had in those days are forgotten today but we have a new set of problems facing us today.

These problems were very well outlined by previous speakers; not only the problems of the gold mining industry but also the problems of the communities which those industries support. In my opinion these are knotty problems; they are not problems which can be solved overnight or at one meeting. Wages, as has been mentioned, are extremely low in the gold mines and as a result of these low wages you will find other aspects of the community which are depressed. For example you will find rents in mining towns are very low for the simple reason that there are not as many miners there today as there were at one time. Consequently there is a surplus of houses in such places in these days of housing shortage. There are certain other aspects however which are not affected by low wages; food costs just as much up there as it does anywhere else and in northern Ontario there is an additional problem where we have higher costs for fuel as well as two extra months of winter in each year when fuel has to be used.

At the present time in the gold mining industry in Timmins negotiations are under way with all the local mines for a new collective bargaining agreement and the No. 1 item in those negotiations is the question of a pension plan. As the years have gone by we have seen, owing to the efforts of trade unions, pension plans have been established in various industries all across the country. Unfortunately, however, it seems to depend pretty well on the strength of the union as to how much is accomplished in this respect.

I can think of no industry in Canada from coast to coast which needs a pension plan more than the mining industry. There is no mercy in hard rock; if you are working underground and you have an accident you must remember that you are dealing with hard rock. That is why we see such a high incidence of lost-time accidents in gold mines; that is why gold miners have to pay an additional premium for their life and accident insurance policies. The insurance companies from their records recognize the fact that the gold mining industry is a very hazardous one. Added to that is the deadly, creeping threat of silicosis. Possibly it is not necessary to explain to this house that silicosis is not a disease, as many people think; it is merely a condition into which the lungs of miners degenerate after long service in the mines. It is just a series of scar tissues formed on the lungs from this silica dust which eventually prevents the lungs from expanding as they normally should. This brings about a general deterioration of the system until such time as the miner succumbs. I think I noted at one time the average age of a gold miner's life is 54 years as against the national average of about 67 years.

This condition brings about a situation where the miner is no longer able to carry on his duties and, as so well outlined by the hon. member for Timiskaming, we have no secondary industries in the gold mining communities which might absorb these older members at such times. That is why it is

so important that pensions should be established for this industry. This has a very pertinent bearing on the Emergency Gold Mining Assistance Act which is considered with respect to the estimates of the Department of Mines and Technical Surveys.

There is another aspect with which I would like to deal and that is the situation in respect to collective bargaining between the gold miners and the gold mine operators. I think this possibly ties in with the old picture of why this gold mining problem and this Emergency Gold Mining Assistance Act has been such a problem. If these mines were small local properties then the problem would not be so difficult; they would either be paying propositions or they would not and they could be judged and dealt with accordingly. But we find the situation is far different from that. We find most of these mines are subsidiaries of vast, national, international, and in some cases intercontinental corporations.

Last summer I was able to obtain the financial report of one of our local mines which showed a profit on the local property of about $98,000. In addition it received a gold mining subsidy under the act of $385,000. However, they had charged the costs of development work done at oil properties against the local property and showed an overall loss of $28,000. That is just one aspect of the problems which are all mixed up in this Emergency Gold Mining Assistance Act.

We also have to consider the fact that some mining operators today are the only people in Canada who absolutely refuse to co-operate with the trade union movement in any way, shape or form.

In my remarks some weeks ago during the debate on the speech from the throne I made reference to the situation in Murdochville, Quebec during this last summer. I do not think I need to go into the details here because I am quite sure hon. members are familiar with that situation. I mentioned also at that time that the same people who operate Murdochville either own or have controlling interest in five of the 11 mines in the Timmins area today. It follows therefore that the same mental attitude toward the trade union movement and collective bargaining which was displayed this summer in Murdochville will in all probability be carried into the gold mining communities in the Porcupine camp.

I would like to submit that this situation cannot be solved, in fact it cannot be even understood through a meeting with either one side or the other. If you meet with management you get management's side of the picture; if you meet with the unions you get the other side of the picture. I would like to suggest therefore that the only way to get a proper picture of the gold mining situation in Canada today, with all its problems, is for this house to take the lead by setting up a committee consisting of federal, provincial, and municipal authorities, plus representatives of management and union. That committee could go into all aspects of the gold mining industry and bring out a report, giving this house the true picture so that we will know how to take the necessary sensible and responsible steps with regard to E.G.M.A.

There is one other matter I would like to mention. In 1941 there were 28 gold mines operating in the Timmins area; today there are 11. In addition the Hollinger Consolidated Gold Mines in 1941 employed about 3,000 men while today they get a similar tonnage with about 1,100 men.

This might seem at the moment just a problem relating to the town of Timmins, or to the gold mining municipalities dependent on the gold mines, but I should like to bring to the attention of hon. members that some 126 communities in the province of Ontario are instrumental in supplying the needs of these gold miners. In one community they make the safety rubber boots that the miners wear; in another place they make the tracks on which they run the cars, and in another they make the machines. There are 1001 other things which are supplied to the miners which are not made in the gold mining communities, but in Toronto, Hamilton, Windsor, Kingston and London. So, if the gold mines go, not only are those communities directly affected but the repercussions are going to be felt right across the country. That is one thing which makes this a problem not only for the gold mines and the gold mining communities but also for hon. members of this house from one end of the country to the other, and certainly it is a problem for the government about which, Mr. Chairman, I submit it should use every effort to do something.

Mr. Johnston (Bow River): Mr. Chairman, I should like to say a word or two about the gas and oil industries in the province of Alberta. One of the conditions which I think is contributing very largely in our part of the country to an ever-rising unemployment problem is the lack of employment in these industries and in the coal industry. These industries are three of the largest in the west, and they are three which are most affected as far as the gas industry is concerned. I want to agree with the hon. member for Kootenay East who said a while ago that this government must accept a large share of the responsibility for the depressed condition of

the gas industry in the province of Alberta. Those of us who were here last year will quite well recall the outstanding effort—and I emphasize the word "outstanding"—which was made by the Conservative party in an attempt to defeat the proposal to construct a trans-Canada gas pipe line. If they had had their way the gas industry of the province of Alberta and, eventually of Saskatchewan too, would have received a very severe set-back.

Not only did this present government do its utmost to prevent the construction of the trans-Canada gas pipe line, but they have since done considerable damage to the possibility of having gas exported to the United States. Some time ago the leader of this party, the hon. member for Peace River, asked the Prime Minister a question concerning the possibility of exporting gas to the United States, bearing in mind a commitment which was given by the former minister of trade and commerce last year, and the Prime Minister stated, in effect, that he would not accept as his responsibility any commitment made by the previous government. That has certainly gone a long way toward supplying material for those in the United States who are endeavouring to prevent the export of Alberta gas into the United States. It is certainly not helping to build our export business, and it is certainly not helping to bring United States dollars into Canada to offset our tremendous adverse balance of trade. As I say, the present government must accept a large share of responsibility for this.

An hon. Member: Nonsense.

Mr. Johnston (Bow River): If the hon. member will look up the records he will find out that what I am saying is absolutely true, and the people of Canada are becoming very conscious of that. It would pay new hon. members of this house, particularly, to go back and read over the records of some of the debates which took place last year.

An hon. Member: We read it in the newspapers.

Mr. Johnston (Bow River): They might read back and see where the responsibility lies. No, you did not read it all in the newspapers. You read a very biased report, and if you were to read some of the reports in the newspapers now—I think it was the *Financial Post*—you would find out that they, too, have begun to change their ideas regarding what was published on the pipe line.

Mr. Knowles (Winnipeg North Centre): Would the hon. member suggest we should have that debate all over again?

An hon. Member: God forbid.

Mr. Johnston (Bow River): That would be all right with me. Let me point out that it was the C.C.F. party who joined hands and went to bed with the Conservatives in an effort to stop—

Mr. Knowles (Winnipeg North Centre): We wanted the pipe line built under public ownership.

Mr. Johnston (Bow River): —this enterprise and who must share responsibility to a large degree for the ever-increasing unemployment we have today.

An hon. Member: Time to go to bed.

Mr. Johnston (Bow River): May I call it ten o'clock.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Chevrier: Would the leader of the house kindly tell us the business for tomorrow?

Mr. Green: Tomorrow we shall continue with these estimates, and then with the estimates of the departments of veterans affairs, fisheries and justice.

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:

MIRAMICHI SMELT FISHING SEASON

Question No. 176—**Mr. McWilliam:**

1. Did the government receive any representations for a change in Miramichi smelt fishing season's dates?

2. If so, from whom were the representations received and what were the suggested changes?

Answer by: **Hon. J. A. MacLean (Minister of Fisheries):**

1. No requests have been received for changes in the present season.

2. Answered by No. 1.

PORK IMPORTS FROM U.S.

Question No. 185—**Mr. Smith (Battle River-Camrose):**

1. How many pounds of bacon, ham, shoulders and other pork cured, other than canned, were imported into Canada from the United States of America for each of the months of August, September and October, 1957?

2. How many pounds of canned pork were imported into Canada from the United States of America for each of the above-mentioned months?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. 377,241 pounds during month of August, 1957. Imports for months of September and October 1957 not yet available.

2. Statistics not yet available.

TRADE AGREEMENTS AND CONTRACTS FOR WHEAT

Question No. 198—**Mr. Hansell:**

1. What trade agreements presently exist between the United Kingdom and Canada for the purchase of Canadian wheat and when was each agreement signed?

2. How many contracts or purchases for wheat have been made by: (a) United Kingdom government; (b) other British purchasers, for each month of 1957?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. None.

2. (a) None.

(b) Purchases of wheat and wheat flour by the United Kingdom are handled by the private trade. Individual sales contracts or purchasing agreements are negotiated by the private trade in the United Kingdom with Canadian exporters. Details of these agreements are, therefore, not known.

Export shipments of wheat and flour to the United Kingdom for each month during 1957 are as follows:

1957 Month	Wheat (bushels)	Flour (bushels equivalent)
January	6,107,641	981,253
February	5,452,047	890,466
March	5,674,129	898,888
April	3,403,124	882,722
May	5,595,127	946,712
June	5,643,904	647,933
July	7,644,723	926,456
August	11,485,194	958,288
September	7,957,654	1,028,491

EXPORTS TO COMMUNIST CHINA

Question No. 199—**Mr. Hansell:**

1. What goods, if any, have been consigned to communist China in the last year?

2. What are the classifications of these goods?

3. How much in each classification?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1, 2 and 3. Exports to China, calendar year 1956:

Statistical Account	Classification reading	Unit.	Qty.	Value
Canadian produce:				
5810	Automobiles, passenger, new, valued at over $1,000	No.	1	$ 1,475
8160	Ammonium sulphate			352,396
8180	Phosphate fertilizer			2,072,749
9530	Settlers' effects			160
	Total			$2,426,780
Foreign produce:				
4960	Books, bound or unbound			22
4990	Printed and lithographed matter, n.o.p.			10
	Total			$ 32

[The following items were passed in committee of supply]:

DEPARTMENT OF THE SECRETARY OF STATE

Office of the Chief Electoral Officer—

60. Salaries and expenses of office, $73,115.

86. Salaries and contingencies of the commission, including a grant of $3,000 to the public personnel association to assist in defraying the costs of its international convention to be held in Canada in 1957, $2,961,606.

APPENDIX

EXCHANGE OF CORRESPONDENCE BETWEEN PRIME MINISTER AND PREMIER OF MANITOBA

Province of Manitoba
Office of the Premier
Winnipeg

November 12, 1957.

The Right Hon. John G. Diefenbaker,
P.C., Q.C.,
Prime Minister of Canada,
Ottawa, Ontario.

Dear Mr. Diefenbaker:

I am glad to learn from your letter of October 31, 1957, that all provinces have accepted November 25 and 26 as the dates for the proposed federal-provincial conference and that the conference has accordingly been called for that time.

We in Manitoba are in entire agreement with your government in believing that the conference should centre on dominion-provincial fiscal relations and that though other current issues having a bearing on the main question can be discussed, the detailed consideration of these subjects should be undertaken by groups which are directly interested in them and which can devote more time to their study than the plenary conference would likely give. One of the most important of these is hospital insurance and I would therefore like to urge again, as I did in my recent letter on the subject, that arrangements be made for a full discussion of hospital insurance, either just before or just after the federal-provincial financial conference.

My colleagues and I are somewhat concerned about the wording of your letter of October 31, 1957, particularly in view of your earlier one of September 16, 1957. It seemed clear to us in the letter of September 16 that the meeting proposed for November 25 and 26 was indeed to be a detailed conference on fiscal relations and in view of the general tenor of that letter and the matters to which it refers we expected that the provinces were being invited to a conference which would deal exhaustively with the urgent and ever-pressing problem of provincial and municipal financial requirements. One small section of your letter of October 31, however, seems to indicate that you have changed your mind about the scope of this conference. There seems to be an implication in your letter that the November conference is really to be a preliminary one.

Were this interpretation of ours, which we can hardly credit, correct, we would indeed feel that a serious change had been made in the plans for this meeting. In giving consideration to your letter and invitation of September 16 we were impressed, as we believe many people throughout the nation are, with the urgency of the provincial and municipal financial problems as they relate to the fiscal arrangements between the various forms of government in Canada. It was in the light of these considerations that we made our plans to attend the meeting in Ottawa at that time, even though the dates were not the ones which we would have chosen. For this reason we find it difficult to think that we have been asked to make our decisions against one background only to find that the type of conference is now to be changed from a decisive one to one which, under a fairly easy interpretation of your letter of October 31, might well be of a preliminary nature only.

We are most anxious to have your reassurance that the conference to be held in Ottawa on November 25 and 26 is to be one at which significant agreements can be reached as to the adequacy or otherwise of the present fiscal relations as between the provinces and the federal government. It is, of course, recognized by all of us that the conference itself cannot decide those matters which are the prerogative of parliament and the legislatures, but we have found on previous occasions that both the federal government and the provincial governments have been able to arrive at conclusive agreements or arrangements which later on were found to be acceptable to our respective legislative bodies.

To sum up, we in Manitoba have now made our arrangements to come to the meeting in Ottawa on your suggested dates; we find ourselves in complete agreement with you that certain matters coming before the conference may well require a more specialized study than can be given to them by the conference as a whole, but we hope that your letter of October 31 does not in any way represent an intention of changing this coming conference from the decisive one which we expected from your letter of September 16, to one which has the value of only a "preliminary" meeting.

In any event Manitoba's representatives will be present, and we will expect the opportunity to place our case fully on record. We will be prepared to stay as long as is necessary in order to have full consideration given to these vitally important subjects.

Yours sincerely,

Douglas Campbell.

Dominion-Provincial Conference

Ottawa, November 17, 1957.

My dear Premier:

I have your letter of the 12th and note with pleasure that you are in agreement with the federal government that the November dominion-provincial conference should center on dominion-provincial fiscal relations and that an opportunity should be afforded to discuss current issues which have a bearing on our fiscal relations. I have in mind such issues as those which bear so important a relation both to the federal budget and to provincial budgets that we cannot reach a significant agreement on changes in dominion-provincial fiscal arrangements until these issues have been carefully examined.

It is not expected that within two days it will be possible to consider fully the variety of problems and suggestions that will be put forward. The arrangements which we have proposed are intended to make it feasible to deal seriously with the major problems. Some time will be required to consider what proposals should be made in the light of the views brought forward at the November meeting. We think it better to consider specific proposals at a subsequent meeting after we have all had an opportunity to study what is said at the first one and proposals arising from it. This need not, however, prevent our reaching agreement on any issues on which discussions next week reveal that general agreement has been achieved.

Yours sincerely,

John G. Diefenbaker.

The Honourable D. L. Campbell, M.L.A.,
Premier of Manitoba,
Legislative Building,
Winnipeg, Manitoba.

HOUSE OF COMMONS

Friday, November 22, 1957

The house met at eleven o'clock.

POWER

FEDERAL LOANS FOR PROVINCIAL DEVELOPMENTS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether the Prime Minister is in a position now to answer starred question No. 37.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I regret that I was not here yesterday. I promised to give an answer at the first opportunity and I had it available, but it was necessary for me to be absent. The questions are as follows:

1. Are loans based on the principle applied to the Beechwood project to be available only for projects in the Atlantic provinces?

The answer is no.

2. If not, will all provinces qualify?

The answer is that any province that has a project for which there is an equally good case could qualify in respect of that project.

3. Are such loans available only for projects owned by provincial governments or provincial crown agencies or will they be available to private power companies sponsored by a provincial government?

The answer is no, they would not be available for private companies.

4. Are such loans available only for new or uncompleted projects or will they be available for refunding obligations of established power projects in the Atlantic provinces?

The answer is they would not be available for refunding obligations.

Hon. Jean Lesage (Montmagny-L'Islet): May I ask a supplementary question. The Prime Minister said, in answer to the second part of the question, I believe, that other provinces would be eligible if they had an equally good case. Would he be good enough to enlarge on that and tell the house especially if the words "equally good case" have in them the factor of inability to supply the capital necessary for a given development?

Mr. Diefenbaker: Mr. Speaker, the general policy, of course, arose in connection with the peculiar circumstances existing in the maritime provinces, where through the years there has been a realization on the part of Canadians as a whole that those areas did not at all times equal the general development in other parts of Canada. Wherever there is a position similar to that, naturally the similar circumstances will assure that similar consideration will be given by the government to applications made by provinces.

Mr. Lesage: May I ask a supplementary question. Do I interpret the reply of the Prime Minister as meaning that, under the present financial circumstances of Ontario and Quebec, this policy would not apply to them?

Mr. Diefenbaker: Mr. Speaker, I have given the general formula. My hon. friend will be able to determine the answer, on the basis of that formula, as to whether or not Ontario and Quebec would be in a similar category.

TRADE

MISSION TO UNITED KINGDOM—MATTERS TO BE DISCUSSED

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): Yesterday the Prime Minister expressed the hope that as a result of the mission going to the United Kingdom, a new concept of trade between our country and the United Kingdom would be born. Did that new concept to which he was referring mean the acceptance of the free trade offer made by the United Kingdom?

Right Hon. J. G. Diefenbaker (Prime Minister): Again my hon. friend is placing himself in the position of interpreting the words I used. What I said in effect was this, that the mission in question is unusual in the sense that I believe it is the first of its kind; imaginative in its concept, in that businessmen, agriculturists, leaders in labour, fisheries and the like, go over to the United Kingdom with a view to ascertaining what can be done to bring about an increase in trade, which indeed would be a new concept having regard to the novelty of a group of outstanding men undertaking such a responsibility on behalf of this country.

Hon. Paul Martin (Essex East): The Prime Minister was not in the house yesterday because of official preoccupation elsewhere, but I asked the Minister of Finance whether or not the Minister of Trade and Commerce would be taking advantage of his visit to the United Kingdom to discuss the British

free trade proposal, and the proposal made by the Prime Minister, with members of the United Kingdom government while he is there. Can the Prime Minister say whether or not those discussions will be taking place?

Mr. Diefenbaker: The Minister of Trade and Commerce would not take advantage of the opportunity, but no doubt while he is over there discussions on any matter regarded as of mutual importance in the increase of trade will be taken up and discussed.

HAY—IMPORTS FROM UNITED STATES INTO BRITISH COLUMBIA

On the orders of the day:

Mr. G. W. McLeod (Okanagan-Revelstoke): I have a question, Mr. Speaker, for the Minister of Agriculture of which he has been given notice. Has the government become aware of heavy imports of hay from the United States of America into western and southern British Columbia, mainly delivered by trucks and trailers? If so, is any action contemplated to protect the hay growers of the Okanagan and Shuswap areas, who find it impossible to meet this competition?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I came directly from another meeting to this chamber, so I did not get the hon. member's notice. I do not know what is the situation with regard to these hay imports. I had heard some time ago that there were small quantities coming in, but I will have the matter looked into and give him an answer as soon as possible.

OIL

ALBERTA—INQUIRY AS TO GOVERNMENT ACTION FOLLOWING DECREASE IN EXPORTS

On the orders of the day:

Mr. C. E. Johnston (Bow River): I should like to direct a question to the Prime Minister. I sent him notice of this question two days ago in the hope that I would be able to ask the question yesterday, but because he was absent on important business I have left it until today.

In the light of the statement made only yesterday over the radio by Premier Manning of Alberta to the effect that oil production in Alberta is being cut back by 60 per cent of what the conservation board allows as a result of the present export restrictions on oil, would the Prime Minister make a full and complete statement as to the action the government proposes to take to correct this situation?

Right Hon. J. G. Diefenbaker (Prime Minister): I am sorry I did not have the opportunity of reading the statement made by the premier of Alberta, but I am sure he did not say that any reduction in exports to the United States was the result of any policy of this government. I do not want to go into the discussions the premier and I had, but I will say this, that at no time did he suggest that the reduction in any way resulted from any action by this government.

As a matter of fact, what happened was this. There was a very considerable market in the western United States following the Suez crisis. The situation in California particularly, and also in the other Pacific states, was such that a very material demand was made for Canadian oil. Within the last few months, however, particularly within the last period of about six months, there has been a continuing reduction in the demand for Canadian oil in that part of the United States which constituted the major portion of the Alberta market.

The reason for the reduction is that there has been a very large increase in oil production in the Middle East and distribution of that oil in that part of the United States has had the result of reducing demand for Canadian oil. We discussed together what action might be taken, and the matter is receiving consideration and will receive further consideration next week when the premier of Alberta is here in Ottawa.

I think it was the day before yesterday that Premier Manning phoned me with regard to a committee meeting—an administrative meeting—in Washington that begins on Monday and will continue for two days to deal with this problem of oil imports into the United States. The convener of the committee is Mr. Carson. The Alberta government will be represented by Mr. McKinnon of the resources board in Alberta. The government of Canada will have an observer or observers at that meeting, with a view to ironing out the difficulties that have arisen in recent months in consequence of the Suez situation, and I am hopeful that action may be arrived at mutually agreeable to both.

Hon. L. B. Pearson (Algoma East): I should like to ask the Prime Minister whether the representative of the government of Canada at this meeting to which he has just referred will have exactly the same status as or perhaps a superior status to the representative of a provincial government.

Mr. Diefenbaker: Mr. Speaker, I do not think there is any question of superiority of status on the part of any representatives. This is a United States committee, meeting as part of the administrative machinery of the United States and having for its purpose the design I mentioned. Any representatives there will be there purely in the capacity of

onlookers following the course of events and subsequently, of course, having the opportunity to discuss the matters in issue.

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. Having in mind the labour situation in Canada as given by the Minister of Labour yesterday, and the statement that there is no shelf of public works projects on hand by the Minister of Public Works yesterday, would the government now be prepared to proceed with the immediate demolition of the buildings acquired by the previous government in preparation for the erection of a new post office building in Windsor, Ontario?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, as the hon. member will recall, I gave him a statement in connection with this proposed building some weeks ago. The situation then was that there was a lease on one of the buildings which was eventually to come down. I do not think there has been any change in the meantime. However, I shall be glad to look into the situation again.

Mr. Brown (Essex West): May I ask a supplementary question. Would the government be prepared to proceed with the demolition of the buildings already acquired? That is the question.

Mr. Green: I shall be glad to look into that situation.

WESLEYVILLE—PROPOSED NEW POST OFFICE

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): Yesterday the hon. member for Bonavista-Twillingate (Mr. Pickersgill) asked me this question:

> In that case, can he get on with the post office at Wesleyville, which was in this year's program and which has not yet been started?

I promised to make inquiries, and I now find that the previous government did not include anything in the estimates for this post office at Wesleyville. I am very hopeful that the new government will be able to take better care of the hon. member's constituency.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask a supplementary question. Is it not true that the cost of that building is such that it does not have to be specified separately in the estimates, under the rules governing the estimates?

Mr. Green: The hon. member with all his experience, both in the civil service and in the cabinet, should know better than to ask that question.

Mr. Pickersgill: The answer is perfectly obvious.

WINDSOR—REQUEST FOR AID FOR CIVIC AUDITORIUM

On the orders of the day:

Mr. D. F. Brown (Essex West): May I direct a question to the Prime Minister. Has the government received any communications from the council of the city of Windsor or any other association or any individual requesting financial assistance in the building of a civic auditorium? If so, what action has the government taken on the request?

Right Hon. J. G. Diefenbaker (Prime Minister): I will have to take that question as notice.

DOMINION-PROVINCIAL CONFERENCE

REQUEST FOR GOVERNMENT ATTITUDE AND PROPOSALS AT FORTHCOMING MEETING

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask a question of the Prime Minister. In view of the fact that this is the last sitting day before the conference with the provinces to be held on Monday next, is it the intention of the Prime Minister some time during the course of our sittings today to outline to the house the attitude the government will take with the provinces on Monday, and possibly also indicate to us the proposals the government has in mind in the important matters which will be discussed with the provinces?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I know the authority I am about to quote will receive the approval of my hon. friend. I remember a similar question being asked at one time of that outstanding parliamentarian, Mr. Mackenzie King, and the answer given was that under the circumstances he felt the course to follow was to await the event.

Mr. Martin (Essex East): Then may I ask a supplementary question. Notwithstanding the high authority the Prime Minister has quoted may I also quote to him by way of interrogation, under the circumstances, an equally high authority—the Prime Minister himself—who asked a similar question of his predecessor.

Mr. Diefenbaker: And, Mr. Speaker, received a similar answer in general.

Inquiries of the Ministry

FINANCE

INQUIRY AS TO POSSIBILITY OF INCREASE IN PRICE OF GOLD

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, my question would have been addressed to the Minister of Finance, but in his absence I would like to direct it to either his parliamentary assistant or possibly the right hon. Prime Minister.

The question is, in view of the meetings between Mr. Dulles of the United States and Mr. Pineau of France, and in view of the sudden jump in gold mining stocks, has the government any information on the possibility of the government of the United States raising the price of gold to help prevent the collapse of the economy of France in the face of the Algerian situation?

Mr. Richard A. Bell (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, notice of the question reached me just as I entered the chamber, and I have not had an opportunity to make detailed inquiries. Personally I am not aware of any such proposal as the hon. gentleman mentioned. I will make full inquiries, and if there is any information which can be communicated to the house a statement will be made either by the minister or by myself on Monday.

GRAIN

CASH ADVANCES ON FARM-STORED GRAIN

On the orders of the day:

Mr. W. A. Tucker (Rosthern): Mr. Speaker, I have a question which I would like to address to the Acting Minister of Trade and Commerce. When does he expect cash advances on farm-stored grain will be available to our farmers in the west?

Mr. Martin (Essex East): Never.

Right Hon. J. G. Diefenbaker (Prime Minister): Might I answer that question, Mr. Speaker. I am speaking now from recollection as to the actual date, but I think the proclamation will make possible the inauguration of the system of cash advances on either Monday or Tuesday next.

NATIONAL DEFENCE

U.S.-CANADA—JOINT AIR DEFENCE COMMAND

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Has his attention been drawn to an article in the issue of *Time* bearing the date of this coming Monday, November 25, on radar defence of North America, which has appeared since certain questions were asked and answered in this house? Is he aware of the assertion in this publication that if there is an alert from the D.E.W. line in northern Canada there will be immediate consultation between the joint chiefs of staff in Washington and President Eisenhower, whose decision to give SAC's bombers at NORAD the go ahead could be made within five minutes?

In view of this statement being made after certain questions and answers in this house, can the Prime Minister not give us a clear statement about the position of the Canadian government and the Canadian Prime Minister in this event?

Right Hon. J. G. Diefenbaker (Prime Minister): While *Time* is most time-worthy, I do not get it ahead of time and I have not seen it. Regardless of what appears in that magazine or any other, the situation is exactly as outlined by the Minister of National Defence.

Mr. Knowles (Winnipeg North Centre): What is that?

Mr. Coldwell: Would the Minister of National Defence outline the position?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, as the house knows an integrated command has been established at Colorado Springs, with integrated headquarters, having operational control over the air force allocated for the defence of the North American continent. The air officer commanding the R.C.A.F. air defence command at St. Hubert has the actual command of Canadian forces. In the event of an alert, or of information being obtained by any source that hostile or unidentified aircraft are moving over Canada, the air officer commanding at St. Hubert has the authority to dispatch aircraft to investigate the situation.

While those aircraft would be investigating any unidentified planes, reports would be made at once to the government of Canada and to the integrated air defence command at Colorado Springs. Based upon those reports and the situation as it developed, action would then be taken according to plans which had been drawn up beforehand and agreed upon by the different governments according to the varying sets of circumstances that might arise.

Mr. M. J. Coldwell (Rosetown-Biggar): A supplementary question, Mr. Speaker. What about the United States air force, and United States planes in Canada? Would they be

under the same obligation to report to the government of Canada as the Canadian commander?

Mr. Pearkes: The squadrons of the United States air force now stationed in Canada are under the command of the Canadian officer responsible for air defence at St. Hubert.

Mr. Knowles (Winnipeg North Centre): I wish to ask a supplementary question. What would be the case with respect to United States planes based in the United States? Is it possible for them to be dispatched over Canada on the decision of the United States government without the Prime Minister or the government of Canada being consulted?

Mr. Pearkes: The consultations are already taking place and, as I indicated, a series of plans are now being drawn up which will be approved by the governments of Canada and the United States. If the situation were such that United States air forces would be required for a particular operation over Canada, it may be assumed that that has been included in the preliminary plans and therefore it would be merely a question of advising the government of Canada that such and such a situation had arisen and such and such plans should now be put into force.

Hon. L. B. Pearson (Algoma East): Mr. Speaker, I have a supplementary question arising out of the answer of the minister in connection with the Canadian command of United States squadrons in Canada. Does he mean by that that there is Canadian command over United States squadrons in Newfoundland, United States bases or leased bases in Newfoundland?

Mr. Pearkes: I am referring to the squadrons which are allocated for the defence of North America now stationed in Canada. At some of those stations to which the hon. member has referred there may be other aircraft which are not assigned to the defence of the North American continent.

Mr. Pearson: Mr. Speaker, may I ask the minister whether the intergovernmental agreement to which he has just referred has embodied certain plans that are being worked out in regard to continental air defence, and whether that intergovernmental agreement will be discussed and agreed to in this house before it becomes effective as an intergovernmental agreement?

Mr. Diefenbaker: Mr. Speaker, that gives me an opportunity to review something of the past in this regard. On August 17, 1940, Mr. King and the president of the United States came to an agreement known as the Ogdensburg agreement. On the following day a joint statement was issued. Mr. King referred to it and simply placed it before parliament on November 12, 1940.

Again in 1947, some 11 days after the house opened, Mr. King made a statement on defence co-operation with the United States and traced the history at length, but did not place the matter before parliament for decision. The only order in council made at any time that was tabled in the house with reference to this question was that covering the setting up of the joint defence board. In other words, in the experience of the past matters concerning security have been reported on generally. With the exception of the order in council setting up the defence board, which was tabled, nothing further was done than to report to parliament.

Mr. Martin (Essex East): That is not right.

Mr. Diefenbaker: That is the course that will be followed in this connection unless my hon. friends insist on a discussion of these matters. I leave it to their consciences to determine whether there should be a discussion on the whole question of defence and the arrangements between Canada and the United States. If the opposition will take the responsibility of saying they want these matters, which can be of dangerous import if given full publicity in the house, discussed in detail—

Mr. Martin (Essex East): No one has asked that.

Mr. Diefenbaker: —it will be done, but the responsibility will then be theirs.

An hon. Member: A straw man.

Mr. Diefenbaker: Would my hon. friends allow me to make my statement? In the past the course followed has been the one I have referred to. If my hon. friends want to depart from that course they have but to say so. We will then place all these matters before the house, and the responsibility will be theirs for what happens as a result of the widespread dissemination of this information. If either of my hon. friends, one of whom will no doubt be the leader of the opposition shortly, want the information personally or if the leaders of the other parties want it, it will be made available. I leave the responsibility with my friends of the opposition.

Mr. Pearson: Mr. Speaker, I think on this side we have a full sense of responsibility in these matters and that we will discharge that sense of responsibility in the proper way. But in view of what the Prime Minister has said I should like to point out that the parallel he mentioned is not a parallel at all to the present situation and the proposed agreement.

Perhaps the time will come when we will be able to debate that in some detail.

The arrangement to which he referred was a wartime one and it did not touch the control of Canadian forces in the sense of putting those Canadian forces under the control of an officer of another country, to which, Mr. Speaker, I am not objecting. I am just asking for information concerning the matter.

Mr. Diefenbaker: Oh, no, not objecting.

Mr. Pearson: The Prime Minister said that when we were in power we had not brought agreements of this kind to the House of Commons for discussion and approval, but I would remind him that the North Atlantic treaty pact, to which he has already referred in connection with this particular proposed intergovernmental agreement, was brought into the house, discussed, debated and approved, and that it was in accordance with that approval that Canadian forces in Europe were put under NATO command under a United States general, or it might have been a British general.

This was only done after parliament had all the information which was available. No secret information was brought forward, because that would have been quite improper on security grounds. All I suggest is that we are now contemplating another intergovernmental agreement of that character, and that the house has a right to all available information which will not infringe on security.

Mr. Diefenbaker: My hon. friend first referred to the conditions of wartime. I am not, for very obvious reasons, going to compare those conditions with the international situation today. But I do say this, and I ask my hon. friend to face the situation directly. Does he or does he not, speaking for the opposition, demand the production of the terms under which action will be determined? Does he demand particulars as to the degree to which the responsibilities of the officer in command and the second in command will be discharged? Does he want the production of the arrangements in that regard?

As far as the NATO agreement was concerned, as I recollect it the major reason for its presentation to parliament was that Canadian troops were to be taken outside Canada. It was determined in 1939 and earlier that Canadian troops should never be required to serve beyond the confines of Canada except with the consent and on the determination of parliament.

This is an altogether different matter. This is a continuation of the activities of the defence board which was set up. At no time throughout the years have its activities been debated in the house. Indeed, it would have been presumptuous for us in the then opposition to ask for the terms. But I ask my hon. friend to be very clear and to answer this question. Does he, on behalf of the opposition, require the production of the terms existing as a result of the arrangements made between the governments of the United States and Canada on a matter that concerns the very safety of our country, information that I feel ought not to be given for very obvious reasons? Does he demand the production of that?

Mr. Pearson: Mr. Speaker, that question is a very simple one and easy to answer. The Prime Minister, the head of the government, bears the responsibility for deciding what will or will not be produced in the house. So far as we are concerned, we would certainly not expect him to produce any information in the house which would prejudice the security of the country or the alliance; but, Mr. Speaker, the Prime Minister surely is in a position to judge whether the answers already given to questions in the house on this matter have not been confusing and contradictory, and whether it is not time that the matter was cleared up.

Mr. Speaker: Order.

Mr. Diefenbaker: Mr. Speaker, I have a right to answer that.

Mr. McIlraith: Mr. Speaker is on his feet.

Mr. Diefenbaker: I say the answers have never been confusing or contradictory.

Some hon. Members: Order.

Mr. Speaker: I notice the hon. member for Rosetown-Biggar rising. As this statement concerns a matter of undoubted importance and the house apparently is interested in hearing a limited discussion, I suggest that the hon. member for Rosetown-Biggar be given the floor. Perhaps we could make the balance of the discussion as brief as possible, as I feel it has gone as far as it usefully can. Does the Prime Minister wish to say something?

Mr. Diefenbaker: I do not want to take advantage of the opportunity you have given me to answer except to say this—

Some hon. Members: Order.

Mr. Speaker: Order. I think the Prime Minister misunderstood me. I suggested that the hon. member for Rosetown-Biggar be allowed to speak first and the Prime Minister can make his statement afterwards.

Mr. Coldwell: Mr. Speaker, the Prime Minister has suggested that if any members of the house, particularly the leaders of the

groups in the house, require information of this nature to be produced he would be prepared to do so. When he said that I thought he was certainly abdicating his responsibility as Prime Minister and head of the government, and that the government must decide what involves security or the welfare of our country. If we should ask a question which impinges on security, it is up to the Prime Minister and the government to decide whether an answer will be given.

I was going to say that I think the opposition—I mean the official opposition—is in a special position in the house. My recollection over the years is that from time to time when former prime ministers were in office, particularly the late Right Hon. Mackenzie King, and matters of this sort arose the official opposition at least was taken into the confidence of the government through the leader of that opposition. I may say that was further extended at the time. I am not asking for that, because we have not the status the Leader of the Opposition has. I think a great deal of this sort of difficulty regarding security and so on could be obviated if the Prime Minister followed the precedent set by the late Right Hon. Mackenzie King.

Mr. Victor Quelch (Acadia): I think the point made by the hon. member for Algoma East (Mr. Pearson) is a solid one, namely that if the government consider it unwise that this information should be given at this time, the responsibility for withholding it must rest with the government. They cannot ignore their responsibility by merely saying to the opposition, "If you demand that this information be given we will give it, and you must accept the responsibility." The responsibility lies with the government. The Prime Minister, alone or with his other ministers, knows what this information is. He knows whether or not it will be detrimental to the country to disclose it. If he considers it unwise to disclose it, then he must take the responsibility for withholding it.

Mr. Speaker: May I inform the house that if the Prime Minister speaks now he will close this debate.

Mr. Diefenbaker: The Prime Minister is not going to speak except to say this. As to what the hon. member for Acadia has said, that is naturally in keeping with responsible government; and what the hon. leader of the C.C.F. has stated is in the same category. If my hon. friends across the way had another theory I gave them an opportunity of having it carried out, and I noticed that they evacuated very quickly.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the Minister of National Defence arising out of an answer he made earlier in this exchange. Did I understand him to say that although there are consultations now going on between Canada and the United States in connection with preliminary plans, in the event of action by the United States following an alert Canada would be advised but not consulted?

Mr. Pearkes: I think perhaps there is some confusion in a word which is frequently used, "consultation". There is consultation in the planning stage, but perhaps the word "clearance" would be better when it comes to the operational stage.

Mr. Knowles (Winnipeg North Centre): Perhaps the minister would go one stage further and say whether Canada would be asked for that clearance at that so-called operational stage?

Mr. Pearkes: That would be my understanding.

Hon. Paul Martin (Essex East): May I ask a supplementary question of the Minister of National Defence. I do not expect him to answer this today unless he is prepared to do so. He will recall that a few days ago I sent over to him questions and answers that had been put to General Partridge on September 6. Can the hon. gentleman say whether or not, before those questions and answers were published, he or the officers of his department, since July 12 last, were asked to give their approval and if they did, in fact, give their approval to those questions and answers before publication?

Mr. Pearkes: Yes, Mr. Speaker. General Partridge gave that interview before he was appointed to the command at Colorado Springs. There were certain references made to the D.E.W. line, the mid-Canada line and the "Pinetree" line in some of the questions which were answered by General Partridge, and he cleared these with the R.C.A.F. for security reasons only. In other words, he did not want to include anything in the answers he gave which might infringe Canadian security arrangements.

Mr. L. T. Stick (Trinity-Conception): I have a question to direct to the Minister of National Defence. Can he tell the house whether the United States northeast air command in Newfoundland and Labrador comes under the jurisdiction of the R.C.A.F. at St. Hubert? If it will infringe security I do not want an answer.

Inquiries of the Ministry

Mr. Pearkes: As I stated earlier in this debate which is not a debate, those squadrons stationed in Newfoundland allocated or assigned to the defence of the North American continent are under the command of the R.C.A.F.

STATEMENT ON USE OF CANADIAN BASES BY U.S. PLANES

On the orders of the day:

Hon. G. R. Pearkes (Minister of National Defence): While I am on my feet, Mr. Speaker, may I answer a question asked by the hon. member for Algoma East yesterday concerning the use of Canadian bases by United States planes. The hon. member's question was as follows:

In view of the statement reported today by the United Kingdom minister of defence that United States planes cannot use bases in Britain for military operations without first obtaining the consent of the British government, will the minister state whether the same policy is in force with respect to possible United States action from bases on Canadian soil?

After reading the press dispatch, I understand that the United Kingdom minister of defence, Mr. Sandys, was reported to have said on Wednesday that the consent of the United Kingdom government would be required before United States long range bombers could launch an attack from the bases they use in the United Kingdom. As there are no squadrons of the strategic air command of the United States based in Canada the question hardly arises.

Mr. Pickersgill: Except Harmon field.

BUSINESS OF THE HOUSE

COMMISSION TO REDUCE UNNECESSARY GOVERNMENT EXPENDITURES

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): I should like to ask the Prime Minister if the government is giving any consideration to the setting up of a commission similar to the Hoover commission in the United States, in an endeavour to effect a reduction in unnecessary expenditures of government.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the answer is yes, full consideration is being given to that question. It is a matter that is rather comprehensive in its extent; therefore a complete investigation is being made.

TRANSPORT

INQUIRY AS TO CURRENT CONSTRUCTION PROGRAM

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. Is the Department of Transport proceeding with the construction program provided for in the current year's estimates, or are the expenditures contemplated for this purpose being reduced?

Hon. George H. Hees (Minister of Transport): I think, on the whole, that the program that was started this year is going ahead.

Mr. Marler: May I ask a supplementary question. Do I understand from what the minister has said that there has been no action taken to stretch out the program with the object of reducing the expenditures in the current year?

Mr. Hees: Not to my knowledge, Mr. Speaker.

DEFENCE PRODUCTION

INQUIRY AS TO CURRENT CONSTRUCTION PROGRAM

On the orders of the day:

Hon. George C. Marler (St. Antoine-Westmount): I should like to direct a question to the Minister of Defence Production. I should like to ask him if the Department of Defence Production is proceeding with the construction and procurement program provided for in the current year's estimates for the Department of National Defence, or whether the expenditures which were provided for in the estimates are being reduced.

Hon. Howard C. Green (Acting Minister of Defence Production): Mr. Speaker, the Department of Defence Production is merely a procurement and construction agency for the Department of National Defence. The estimates of the Department of Defence Production are very small and have nothing to do with the actual cost of the goods and equipment which are purchased, or of the construction work which is undertaken, so that any change in the vote for works of this kind would have to be made by the Department of National Defence.

Mr. Marler: May I address the question then to the Minister of National Defence, and ask him whether his department is proceeding with the construction and procurement program which is provided for in the current year's estimates or whether in fact a reduction is being made in the expenditures which were contemplated for this purpose.

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, I think those questions should be put to me when my estimates are before the house.

PUBLIC WORKS

INQUIRY AS TO PLANNING SECTION OF DEPARTMENT

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to direct a question to the Minister of Public Works.

Mr. Green: Have you not had enough yet?

Mr. Pickersgill: I certainly have not. I have not got anything from the hon. gentleman, not even the public building that Mr. Winters started before the election.

Some hon. Members: Oh, oh.

Mr. Hees: How long before the election?

Mr. Pickersgill: About a year.

Mr. Harkness: Did you say "for the election"?

Mr. Pearson: You do not hear very well.

Mr. Speaker: Order.

Mr. Pickersgill: I think it should not be necessary for the Minister of Agriculture (Mr. Harkness) to ask whether Mr. Winters started any public building after the election. That is self-evident.

Mr. Harkness: I said, "Did you say 'for' or 'before' "?

Mr. Pickersgill: Before.

Mr. Harkness: I thought you said "for".

Mr. Marler: Mistaken as usual.

Mr. Pickersgill: Now that the minister is in such good humour, perhaps he would tell us whether the planning section of the Department of Public Works has been dismantled.

Hon. Howard C. Green (Minister of Public Works): No, Mr. Speaker. That branch of the department is very active.

Mr. Pickersgill: Then may I ask a supplementary question. Is it true that the head of that section has resigned? If so, would the minister tell us why.

Mr. Green: I have not heard of any such resignation.

Mr. Pickersgill: Could the minister perhaps inquire, since he says that section is so active?

Mr. Green: Mr. Speaker, I shall be glad to make such inquiry.

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 to the Prime Minister a question arising out of the great interest of the country in general in doing something about the wide spread between agricultural prices and retail prices. Has the Prime Minister anything further to report on the progress that is being made in establishing the royal commission on price spreads?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the government will very shortly be in a position to report on the personnel and setting up of the commission. I hope to be able to make this announcement within a very few days.

SUPPLY

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

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

Administration services—
213. Departmental administration, $530,620.

The Chairman: This item will be found at page 43 of the blue book, the details at page 285.

Mr. Johnston (Bow River): Mr. Chairman, yesterday when we were discussing this item I was getting along very well until I just innocently, I guess, passed some remark about the trans-Canada pipe line and tried to put the responsibility where it belonged. Then there was quite a convulsion on the government side. In my remarks I did say that some of the press reporters were now becoming conscious of the injustice that was done on that occasion, and that at least some of them are trying to give publicity to the facts as they really existed on that occasion.

It is not my intention to go ahead and read the article, but I should like to point out that when I made reference to it yesterday I said it was either in the *Financial Times* or the *Financial Post.* I have the paper here in my hands, and it is the *Financial Times* dated Montreal, November 8. You will find the reference in an article written by "Tempus", an outstanding reporter, I may say incidentally, in this press gallery.

I was pointing out also, Mr. Chairman, that to a large extent responsibility for those unemployed in the construction work, the geological work and the survey work carried on by the department and by private industry in the development of gas rests with the policies of this government. I would hope

that the Prime Minister, together with those who have responsibility for this loss of markets for the export of gas from Canada to the United States would do everything within their power to see that this situation is remedied and would give every encouragement to the export of gas into the United States so we should, in a measure at least, be able to solve some of our unemployment problems and certainly gain those much needed United States dollars which we owe to the United States.

I want to speak about oil for a minute or two. This morning I asked the Prime Minister a question with regard to the oil production situation. When he started to answer that question I thought probably he was of the opinion that I was blaming him and the government for the loss of those markets. I was not necessarily doing that at all. We have lost the market. What I was trying to find out—and I want to thank him for the extended remarks he made with regard to the matter—was what the government was doing or could do in order that we may be able to regain those necessary oil markets in the United States. I want to thank him again for the complete answer he gave.

When the hon. member for Calgary South was speaking on this subject the other day, he went to some length to point out the desirability of the government here and the government of the province of Alberta doing everything possible to see that the expansion of oil production in Alberta is continued, and particularly to see that arrangements are made whereby the exploration for oil shall be continued. He pointed out, and I agree with him entirely, that because of the lack of markets and the drop in our production, a serious unemployment problem in that industry is resulting; and of course that means an effect on many hundreds of people who are just ordinary small people and are certainly not those who are sometimes referred to as millionaires or multimillionaires.

There is one thing of which this house should be aware, Mr. Chairman, and that is that in the production of oil we are dealing with an industry that cannot, upon request, immediately start to produce the additional hundreds of barrels of oil that would be required in any case of emergency.

The only possible way in which we could meet an emergency—and we had an emergency during the last war which could have been disastrous—is through the continued exploration and continued development of our resources in Canada. In order to ensure immediate access to a supply of oil it requires not only months but years of intensive study, exploration, work and development. Therefore this government should be very concerned with doing everything possible to see that the oil industry of Canada is permitted to carry on and expand its work.

I was interested in a remark made by the Prime Minister regarding a meeting which is to be held in the United States with a view to seeing what can be done to solve this problem of exports to the United States. In case, however, we cannot regain our lost market in the United States for the export of oil, then we should be giving very serious consideration to using our own market for the consumption of our product, thereby giving our own oil industry an opportunity of expanding both exploration and production. I am aware of some of the difficulties which might face us in this regard because in the eastern part of Canada, particularly in the Quebec section, they are importing oil which they can probably get a little cheaper from sources outside of this country. However, I do not think we should allow the safety of Canada, both from a military and an economic point of view, to be interfered with for the sake of a few paltry cents per barrel of oil.

This question is too big and too important to allow anything of this nature to interfere with the continued development of our oil industry. Furthermore, it seems to be the consensus of opinion today that the larger oil companies on this continent feel they would like to save the oil in Canada, particularly in Alberta, as a reserve for an emergency, and therefore are going to use all the oil they can get from other sources, especially when they can get it a little cheaper.

As I pointed out a moment ago, it seems to me that the large oil companies should take another look at this proposition, because unless we are allowed to continue our development and exploration, when they desire further production in this country it just will not be there. We have had to face a similar situation in another of our industries, namely the coal industry. This coal industry is one upon which you cannot call immediately for production to meet your demands. The industry must be kept in operation, kept active and alive, if it is to be in a position to supply requirements when urgently requested to do so.

I will not go into the question of coal at this time, because I understood the minister to say when the estimates were first opened that he would rather we dealt with this subject when we came to, I believe it was, item 238, under dominion coal board. I will

therefore respect his wishes in that regard. However, let me say again to the members of this house that this question of oil production and continued exploration would go a long way toward giving employment to those people who are now out of work because of our cut-back, and we should give this matter very sincere consideration. The government also should make every effort to see that our markets are regained for the export of oil.

Mr. Pearson: Mr. Chairman, before the minister speaks I would like to say just a word or two about a matter in which I know he and his department are most interested and which has already been referred to in this discussion, namely the development of uranium mining in this country. This development, of course, has been spectacularly important and in its most spectacular aspects has perhaps recently been centred in the area of Blind river and Elliot lake in my own constituency. This area has now become the greatest uranium mining area in the world, and in Elliot lake there is growing up a fine, progressive and modern community which will mean a lot to that part of the north country.

I know the minister and his department will wish to help in every way they can with respect to this development, and perhaps one way in which they could help would be to expedite the building of a dock at Cutler, near Elliot lake, which would be especially important for the importation of coal for the mining area. Incidentally this dock was promised, without qualification, by the Prime Minister when he spoke in that area during the recent election campaign.

The Algoma area—and this is some indication of its importance to our economy—including Blind river and Elliot lake—will, it is expected, next year produce something over 14,000 tons of uranium oxide, which will mean a production of over 34,000 tons of ore per day from that one mining area. It is also expected that the value of Canadian uranium production next year will likely reach the figure of about $400 million, which will perhaps make it the metal of greatest value produced in our whole country.

The sales contracts covering this enormous production are practically all made with the United States government and as my hon. friend knows, are underwritten by the federal government. As an indication of the magnitude of this operation, I understand for that purpose sales arrangements have been underwritten up to the end of 1962 amounting to more than $1,600 million worth of products.

There has recently been expressed some uncertainty—indeed, this uncertainty was expressed in this house last night—about the prospects of this mining industry. It has been suggested, and this suggestion has reached the press, that uranium as a source of atomic energy will soon be outmoded by what is called the fusion process, which is the joining together of two nuclei, replacing the fission process which is the splitting of the atom, and which of course requires uranium. It is also feared by some that the needs for uranium will be diminished by the development of what is known as the fast breeder process. Yet those who are informed on this matter and scientifically qualified to discuss it in a way which, of course, I am not, have stated—and I am referring now to the vice-president of research and development for Atomic Energy of Canada, Dr. Lewis,—that Canada's uranium future would not be in jeopardy through fusion, and Dr. Lewis went on to say that people are becoming confused between a scientific experiment and something which affects the economic future of the world.

Another fear has been expressed—and it was mentioned last night also during the discussion—as to what will happen to this industry when the current contracts, the magnitude of which I have mentioned, come to an end in 1962, a date very much in the minds of those people in this country who are working to develop these communities and this industry. I do not think we need to be pessimistic on this point. While it would be unwise to be pessimistic or to indulge in what I might call speculative optimism, yet I feel certain that the producers of this product in Canada will have continued markets beyond 1962; and perhaps it is a matter for some satisfaction and, in a sense, a reply to some of the more pessimistic forecasts, that the United States atomic energy commission which is, of course, a very important agency in the development of this mining has already secured options on Canadian production for several years beyond 1962.

I know, of course, as do other hon. members that the great bulk of this product is now going into military use, and perhaps I was in a somewhat incongruous position when I was Secretary of State for External Affairs inasmuch as in that capacity it was my duty and desire, as the representative of the government at international meetings, to do everything I could—and I am sure I had the support of the house in this—to make the use of uranium for destructive purposes unnecessary and impossible, but that at the same time, as the hon. member

for Algoma East, I was doing everything I could to encourage and develop the use of that product.

As I say, most of this material—almost all of it, in fact—goes into military use, and it is a matter of great importance that the government should do everything it can, and I am sure it will, to push the search for markets for this product for civilian purposes. To that end, as the minister knows, contracts have been signed with the United Kingdom and, I think, with the government of the Federal Republic of West Germany.

With the development of this peacetime, civilian use of uranium it will become increasingly important that the government should explore every possibility of reaching agreement with any friendly country for the use of this material, though, of course, every agreement of this kind, because of the nature of this material, will have to be reconciled with security requirements, and will also have to be in accordance with the provisions of the United Nations regarding the peaceful uses of atomic energy.

There is also, of course, the important progress made in recent years in the use of uranium as a source of electrical energy. That progress has gone farthest in the United Kingdom where, indeed, electrical energy derived from uranium is now competitive with the same power derived from coal. But the United States and other countries are also moving ahead in this field and I think we can feel, without going overboard with extravagant optimism, that as the use of this material for warlike purposes diminishes—and we all hope it will diminish—its use for peaceful purposes will increase, taking up the supplies of this product which are now going into the manufacture of weapons.

It is also a source of some satisfaction from a Canadian point of view to learn that we have the largest reserves of uranium of any country in the world, as far as we know at present, and it has been said that the United States reserves will be exhausted in about 10 years. I think it is not extravagant or unrealistic to look forward to the day when this uranium will be needed in our own country, to, as a source of electrical energy.

Therefore, Mr. Chairman, I wanted to put these facts on record in connection with a subject which is of increasing importance to Canada and the world; a matter which is of vital importance with regard to collective defence and which, I hope, will become equally important in developing means of collective progress, and I ask the minister to give every consideration, as I know he will, to whatever steps the federal government can take in this important development, especially, if I may say so, with regard to that area of northern Ontario which has become the uranium centre of the world.

[Mr. Pearson.]

(*Translation*):

Mr. Villeneuve (Roberval): Mr. Chairman, may I be allowed to say a few words at this time when the estimates of the department of Mines and Technical Surveys are being considered?

I wish at the outset to congratulate the hon. minister (Mr. Comtois) on his appointment to such a responsible position and to recall, incidentally, that the minister and myself are the only former students of Nicolet Seminary to sit in this house. May I also congratulate the hon. member for Lotbiniere (Mr. O'Hurley) on his appointment to the position of parliamentary assistant to the hon. minister.

The points to which I wish to draw the attention of the minister have to do with technical surveys, particularly with the mapping services. I have no criticism to offer with respect to the technique itself which, in my humble view, is just about perfect, but I believe that the Department of Mines and Technical Surveys should give its maps the bilingual character which befits this country.

Whenever I order maps from the department, as I often do, I find that they are practically all printed in English only. I have no objection to that as long as maps are also printed in French, making them bilingual publications.

I have often examined the famous map showing the whole of Canada and I genuinely deplore the fact that this official map, which is certainly distributed all over the world, is printed in English only. In order to emphasize the truly bilingual character of Canada, the department should make this map bilingual, from now on, so as to give justice to both the main racial groups which make up our country.

I also notice that a map representing a section of my constituency, particularly the Roberval area, is almost entirely labelled in English, in spite of the fact that this particular district happens to be one of the most exclusively French-speaking in the country.

I am not making any charges against anyone but merely pointing out this fact in passing. Since the minister, his parliamentary assistant and his deputy—who are all in the house at this time—are all three French-speaking, I hardly feel it necessary to labour that very important point. I thank them for the efforts they will no doubt make to satisfy us on that score.

(*Text*):

Mr. Fisher: Mr. Chairman, the remarks I am going to make and the questions I intend to ask relate almost entirely to the publications of the Department of Mines and Technical Surveys. I should perhaps explain that my contact with the publications has been as a librarian, providing prospectors and geologists with the various publications, and the point I want to make arises from my experience with the publications of the department.

The first general comment I would offer is that the publications of geological surveys, especially the earlier ones, contain some of the best accounts of history that are available. Unfortunately they are buried in those publications, and I would suggest that at some time someone in the department consider going back into the early reports, especially those of the 1850's, 1860's and 1870's, to take from them some of the excellent historical pieces on the trips of the surveyors across Canada.

The first question I would like to ask is how much co-operation with provincial geological surveyors is entered into in order to ensure that there is no repetition and that the publications or the coverage of each supplements the other. I have the feeling that there has been a certain amount of overlapping in the past. Second, does the department plan a cumulative volume of the provincial gazeteers that they are publishing at the present time one by one?

My third question is this. Does the printer of the Department of Mines and Technical Surveys publications keep the typeset for the major publication such as memoirs? I am very appreciative of the fact that some of the more important memoirs are being reprinted, but if the typeset is kept I think more copies should be reprinted, because especially early in the series they are missing and at least in our area where prospecting is a major interest there has been quite a demand for them.

As a fourth question I would ask if the print is not kept set for reprints, when a reprint is made is there any plan for revisions in bibliography and any later information in connection with the area in order to insert it into the text?

The fifth question I would like to ask is the following. Is the ore dressing section carrying out any research now on the treatment of low-grade iron ores with natural gas being used as the heating process? I know they have been carrying out quite a number of experiments with low-grade iron ores, but it is this question of the natural gas which has arisen in our region where we have many low-grade iron ore deposits. If a group, say the holders of iron deposits, brought samples to the department for beneficiating trials, how would the costs of these experiments be borne?

Mr. Comtois: Mr. Chairman, my remarks will be brief, but I would like to comment on some of the points that have been raised by hon. members and answer the questions that have been put to me.

(*Translation*):

I am very grateful to the hon. member for Villeneuve (Mr. Dumas) for his kind remarks about myself and his high opinion of my department, which are quite different from the comments which the hon. member for Hull (Mr. Caron) had to offer a few days ago. Needless to say, I much prefer the remarks made by the member for Villeneuve. I would advise the hon. member for Hull to seek out that particular member and meet him more often for not only does this gentleman know a great deal about the mining industry but is familiar too with the department for which I am responsible.

(*Text*):

Mr. Chairman, I am grateful to the hon. member for Villeneuve for his kind remarks about myself and his high opinion of the Department of Mines and Technical Surveys, which are quite different from what was said in this house some days ago by the hon. member for Hull. Speaking of the sixth commonwealth mining and metallurgical congress held in Canada recently, I fully agree with the remarks of the hon. member for Villeneuve that the congress was a complete success. While the congress visitors were here in Ottawa I had the honour of unveiling a plaque at one of our mines branch buildings commemorating the holding of this important congress in Canada.

Concerning the Emergency Gold Mining Assistance Act, I might say a study is being made by my colleague the Minister of Finance and myself. We hope to be able to make an announcement during this present session. We understand that a delegation representing municipalities in northern Ontario and northern Quebec is planning to call on us in Ottawa following an economic study which has been made for them by a firm in Toronto. I wish to assure the hon. member for Villeneuve and others who have spoken on this matter that the government is following the lead and zinc situation very closely. I am sure he is aware that the Canadian metal mining industry is presently well represented in Washington, where the federal tariff commission has started hearings on the question of proposed increased tariffs and quotas on lead and zinc imported into the United States.

I thank the hon. member for Laurier for his complimentary remarks on my appointment. I can assure the hon. members for Laurier and Stormont that I shall look seriously into the matter of the Ontario-Quebec boundary in lake St. Francis and see what I can do, within the limits of my authority, to assist in solving the problem they have brought to the attention of the house. We have a great knowledge in my department of triangulation and triangles in the technical field of our survey operations. It may be that I can transpose this knowledge into improving and stabilizing the Ottawa-Toronto-Quebec triangle.

I can assure the hon. member for Kootenay West that I would be most willing, if it be the pleasure of the house, to have the estimates of my department placed before the mines, forests and waters committee at a future session of parliament.

Replying to the hon. member for Montmagny-L'Islet, I must say that I have been greatly impressed indeed by his very serious comments on the rights of the provinces and the dominion. Evidently there is nothing like being in the opposition to produce inspiration on the subsoil of the deep blue sea. Seriously speaking, however, Mr. Chairman, and with all due deference to the legal mind of the hon. member for Montmagny-L'Islet, I do not agree with him that I am the minister responsible for dealing with the question he has brought up.

Mr. Lesage: I did not say that. I said your department had some responsibility.

Mr. Comtois: In reply to the question of the hon. member for Edmonton-Strathcona I may say that the broad question of energy in Canada, including the matter of gas pipe lines, encompasses more than the authority of several of the departments and agencies of the government. It is partly for that reason that the government has seen fit to appoint a royal commission to study this important question. Furthermore, the full facilities of my department have already been offered to the royal commission that has been established to study all aspects of the energy question, and the department will continue to assist and to make information available to any group or organization interested in the national development of the resources of our great country.

I thank the hon. member for Calgary South for his concern about the salaries paid to staff members of my department. I can assure him that I hold these employees in high regard, and it is my plan to further their interests on all occasions.

I wish to say to the hon. member for Algoma East that my department is providing direct and important service to the uranium mining industry and is working in close co-operation with the crown company, Atomic Energy of Canada Limited. I wish to assure him that in all likelihood the research and other activities of my department in relation to atomic energy for peaceful purposes are on the increase.

(*Translation*):

I would also like to say to the hon. member for Roberval (Mr. Villeneuve) that I am grateful for his kind remarks. All those who have gone through the Nicolet Seminary have always remained good friends. Their opinions may vary but whether it be with regard to Nicolet or anything else, they always deeply respect one another and remain staunch friends.

(*Text*):

May I thank other hon. members who have spoken on these estimates. I fully share their concern for the well-being of the mineral industry in Canada, and I thank them for their interest in the operations and responsibilities of my department.

(*Translation*):

Mr. Lesage: I want to congratulate the hon. Minister of Mines and Technical Surveys (Mr. Comtois) for the able replies he just made to the questions that were put to him. I have only one thing to ask him, and in doing so I will use the same comparison as he did. I hope that the serious problems which last night I brought to his attention, and to the attention of the government of which he is a member, will not be tied to a boulder and sent to the bottom of the blue sea. I hope he can assure me at once that those important problems will immediately be seriously considered by the government.

Mr. Comtois: Mr. Chairman, may I say to the hon. member for Montmagny-L'Islet that I had possibly misunderstood the question he asked me last night. However, he can rest assured that I am aware of my responsibilities when the rights of the provinces are at stake, and that I will not fail to discuss those matters with my colleagues, at the proper time and place. He need not worry about the intentions, desires, and even opinions, of the members from the province of Quebec.

Mr. Lesage: I only wish to point out to the hon. minister that I feel that the proper time and place to study those problems is here and now.

(*Text*):

Item agreed to.

214. Explosives Act—Administration, operation and maintenance, $113,100.

Mr. Blackmore: Mr. Chairman, I wonder whether we could ask you to speak more

loudly. It is almost impossible to hear you down here. We cannot tell how you are getting along and what you are saying. I trust you will not mind my suggesting this to you.

The Chairman: Shall item 214 carry?

Mr. Blackmore: No, it is not carried. I want to ask a question. What is the nature of the Explosives Act to which reference is made in the item? What explosives are involved, and so on? We want to be able to judge the adequacy or inadequacy of the appropriation which is made.

Mr. Comtois: Mr. Chairman, this appropriation provides for the administration of the Explosives Act and regulations thereunder. The act regulates the manufacture, testing, storage, sale and importation of explosives. By regulation the transportation of explosives by road and private railway is also controlled. The act does not apply to explosives under the control of the Minister of National Defence nor to transportation by vessel, aircraft or public railway.

The primary objective is to ensure the safety of the public and of those handling explosives. All explosives manufactured in or imported into Canada must be first authorized by the minister. Samples must therefore be submitted before manufacture or importation for testing and examination in the explosives laboratory maintained by this division. Explosives already authorized are regularly examined to ensure conformity with the formula declared at the time of authorization.

In addition to the above, the chemical staff advises and assists other government departments regarding properties of explosives and other materials which may have explosive properties and tendencies. I think this answers the hon. member's question.

Mr. Johnston (Bow River): Mr. Chairman, I do not intend to speak on this item but I do want to say something about tar sands. Can the minister tell me under what item that can be discussed?

Mr. Comtois: That is item 230, page 44.

Mr. Peters: Do inspectors travel around to the various mines and check supplies of powder in storage, or is it simply a technical inspection as to the quantities of the ingredients of the explosive?

Mr. Comtois: Mr. Chairman, if there are provincial regulations in effect, it is a matter for the provinces. We make no inspection except in those provinces where there are no regulations.

Mr. Peters: Are inspections made in the factories that manufacture the product?

Mr. Comtois: Yes.

Mr. Fisher: There is one minor thing that interests me. I see there are three inspectors of explosives who all seem to be at the maximum salary. Is there any provision for them to get a further increment? Has there been a revision of their schedule?

Mr. Comtois: Yes, there has been a further increase.

Item agreed to.

215. Mineral resources division—administration, operation and maintenance, $217,595.

Mr. Smith (Battle River-Camrose): Would the minister tell us briefly the general purpose of this division, what it does and what plans it has for the future?

Mr. Comtois: Mr. Chairman, the division maintains a record of mineral deposits, mining and allied operations in Canada, and a record of all legislation and taxation, both federal and provincial, affecting the mineral industry. Economic research in the mineral field is undertaken, involving investigation of a number of metals with special emphasis on their utilization, markets and strategic aspects. In order to carry out this work effectively, officers of the division must periodically visit mines, smelters, and metal processing plants currently operating, as well as new fields under development. The expansion and growth of the mineral industry, especially in iron ore, base metals, oil and natural gas, has increased the need for field investigations.

Mr. Peters: Could I ask the minister how extensive is the check on assay reports and mine reports of ore bodies and/or grades, as well as reserves?

Mr. Comtois: We make checks from information we get from the dominion bureau of statistics, some annual reports and our inspections; that is the way we get our information.

Mr. Peters: What I had in mind was the checking of ore reserves, ore grades and so on. Do the inspectors from your department check to see that the grade established is a proper grade? This might not be important in connection with mines over which the department has no control, but there is one type of mining in which the department has a financial interest.

Mr. Comtois: This matter does not concern our department.

Mr. Peters: May I ask, then, which department is concerned with emergency gold mining assistance?

Mr. Comtois: I do not see how one could expect the department to know the grades of ore and such things. This information is given in the trade by the annual reports of the companies, and up to now this check is not being made.

Mr. Peters: Is it not a fact that the gold mining industry does make a regular report of the assay and the location of the ore faces they open up, and those maps and samples are sent to the department? I assumed they were sent to the department of mines, and that they entered into the consideration of payments under emergency gold mining assistance. A number of these mines are getting assistance when they are not in a position where they should, and other mines are not getting it because of the amount that is payable. I think this is quite pertinent.

Mr. Comtois: If the question concerns gold mines that is quite different, because we give subsidies to gold mines. In addition to that the gold is purchased by the government, so we are more concerned about the cost because we have to establish the subsidies.

Mr. Peters: Then from that answer do I take it your inspectors do make periodic inspections of that type of mining operation?

Mr. Comtois: Yes, we have inspectors and we make inspections of gold mines in view of the application of the emergency gold mining assistance.

Mr. Fisher: I think this is a fairly important point, Mr. Chairman, and I will give you an example. A short time ago there was a gold mine closed near my constituency. I was talking to a man responsible for the property, and he said there was no way they could bluff in this particular mine. They have a holding of rather low-grade ore which is right on the property. However, he said just to the east of them there were some gold mines—I think he was referring to the Porcupine camp—and they have some terrifically rich stopes which they have cemented up, and they are proceeding with the low-grade ore which comes under the Emergency Gold Mining Assistance Act. Apparently there is no way of knowing how thorough these inspections are, and whether there is any check of this subterfuge suggested by the hon. member for Timiskaming.

Mr. Comtois: We have no knowledge of particulars of that sort, but if the hon. member has particulars or details to give us we will be glad to look into the matter and inform him on what is taking place.

Mr. Fisher: It is very difficult for people such as ourselves to get at any specific information, but I can assure the minister that the three members who come from northern Ontario started our working lives as miners. We meet miners and we talk to them. We know the gossip, and this is the gossip or the accepted attitude in the mining communities, that many of these mines are doing these things. This casts an unfair reflection on the mines themselves. I have more respect for the responsibility of some of the mine leaders. I think in this respect your inspectors might possibly clear the air if they gave a bit more detail about the type of inspection they carry out, how thorough and how complete it may be.

Mr. Herridge: I should like to ask one question. In the province of British Columbia the mines department has a branch similar to this. There are records kept of ore reserves and details concerning operations of the mines. In addition there is certain research work carried on by the provincial research council with respect to ores, processing and things of that sort. As one who is always interested in avoiding duplication of effort, can the minister inform the house as to what is done to avoid duplication of services or duplication of work in connection with the administration of this item?

Mr. Comtois: During the year we have many conferences between the federal department and the provincial departments of mines. Both departments are working in close co-operation, and I do not see what else could be done. We obtain very useful information from these meetings and our departments work closely together. I do not think there is any duplication.

Mr. Herridge: I am glad to hear that.

Mr. Comtois: We try to avoid that, and any time it might happen we try to rectify it.

Mr. Blackmore: I want to make all allowance for the fact that the minister is new to the game, but we have to decide whether we are going to examine these estimates or whether we are not. If we are going to examine the estimates we have to have the information necessary to properly pass a given item. It seems to me that the questions asked by the new members from mining communities a few minutes ago were deserving of much more detailed answers than the minister was able to give.

If the minister and his advisers are unable to give this information, then if he says so, well and good.

It seems to me he should be prepared to tell us why he is not prepared to give us

more detailed information. When we are examining these estimates he ought to be able to tell us what he will do about being able to provide us with that information at a later time. While we are here in this committee examining estimates, the members' duty is to find out, in respect of every item, whether or not the money is wisely spent, whether it is adequate or inadequate and so forth. So if I might say this before we pass this item, then the minister will have something to keep his eye on and so will his advisers.

Mr. Brooks: Mr. Chairman, I should like to say a word on this matter. I think it is a most unfair criticism that has been made by the hon. member for Lethbridge. The minister answered the questions to the satisfaction of the hon. members who asked them. I think they are the people the minister is obliged to satisfy. If they have any further questions to ask it is up to them to ask them. I do not think the criticism made by the hon. member for Lethbridge is altogether fair.

Mr. Blackmore: I must confess that I had the impression that neither of the hon. members was satisfied but that they desisted from asking further questions because of inexperience.

An hon. Member: Let them speak for themselves.

The Chairman: Shall item 215 carry?

Mr. Fisher: On that point, Mr. Chairman, may I say that I am not satisfied with the answer that was given. However, my reason for desisting was not so much my lack of experience but the fact that I thought I might either be making a nuisance of myself or embarrassing the minister. So I was prepared to let the matter go, because I know this is information I can find out for myself.

The Chairman: Shall item 215 carry?

Item agreed to.

Surveys and mapping branch—

216. Surveys and mapping branch administration, $69,106.

(*Translation*):

Mr. Dumas: Could the minister tell us if the surveys branch has completed all the work planned for it last winter and last spring?

Mr. Comtois: I am sorry but I did not understand the hon. member's question.

Mr. Dumas: Could the minister tell us if in the last season the surveys branch has completed all the work planned for it? In other words, were all the aerial photography contracts planned completed last summer?

Mr. Comtois: Does the hon. member's question apply to the province of Quebec only or to the whole of Canada?

Mr. Dumas: To the whole of Canada.

Mr. Comtois: I thought the hon. member referred only to his area.

Mr. Dumas: No, I was inquiring about the whole of Canada.

Mr. Comtois: As regard aerial photography for the whole of Canada, we have practically completed the whole work except for some areas of the Arctic where the work under the contract extends over a period of six years. I believe this is the only area which has not been completely photographed. There are also some areas where, in spite of the instructions issued, the work has not been completed, for some reason or other, either because of bad weather or some other drawback or unforeseen event. However, all the required arrangements have been made and everything is under way from the national point of view.

Mr. Dumas: After recess or some time later while these estimates are being considered, perhaps the minister could indicate the percentage of aerial photographic work completed during the last season on the basis of the work planned for that season.

I should like to ask the hon. minister one or two questions about the same matter.

I wonder if, a little later, he could give the house the number of aerial photo contracts awarded during the last season, together with the names of the companies to whom such contracts were awarded?

Mr. Comtois: Mr. Chairman, the hon. member should perhaps ask those questions on the orders of the day, because we would have...

Mr. Dumas: I thought that the most appropriate time to ask that type of question was when the department's estimates are being considered.

Mr. Comtois: To give all the details he is asking for, we would have to look up the records right away and...

Mr. Dumas: I am not asking for an immediate reply, but perhaps in the course of the afternoon. After all, the department must have called for tenders to have this air photo project carried out, and tenders must have been considered before the department decided who were to be awarded the contracts. It seems to me that department officials could

tell me immediately to whom contracts for aerial photography were awarded during the past season. It seems elementary to me. However, I do not insist on an immediate answer to this question. The department's officials may not have the data at hand; but I would like them to be able to supply them at the next sitting this afternoon.

Mr. Comtois: Mr. Chairman, I should be pleased to supply this information with regard to awarded contracts. No member of the opposition can very well attack them, as they were mostly prepared or given out before June 10 last.

Mr. Dumas: Mr. Chairman, I would like the hon. member to understand that there is on my part no intention to criticize. I am chiefly interested in knowing whether most of the contracts awarded to the successful tenderers were actually carried out, and I should like to know the names of the companies that were given the contracts.

Mr. Comtois: This information shall be supplied to the hon. member this afternoon.

(*Text*):

The Chairman: Shall item 216 carry?

Mr. Herridge: One o'clock, Mr. Chairman.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Surveys and mapping branch—

216. Surveys and mapping branch administration, $69,106.

Mr. Blackmore: I wonder if the minister would give the house a general idea of the extent of the work done under item 216 in 1956 and thus far in 1957; that is to say such information as will enable the people of this country to appreciate what we are getting for the amount of money requested in this item.

Mr. Comtois: Mr. Chairman, this item provides for the expenditures of the surveys and mapping branch administration unit, which is composed of the branch director and a staff of 13 persons. Its functions entail the technical and administrative co-ordination, and direction of the following operational divisions: first the topographical survey, including national air photographic library and Canadian board of geographical names; second, Canadian hydrographic surveys; three, legal surveys and aeronautical charts division; four, geodetic surveys of Canada; five, international boundary commission—Canadian section; six, map compilation and reproduction division. This covers only the administration of the branch.

Item agreed to.

217. Geodetic survey of Canada—administration, operation and maintenance, $577,258.

Mr. Blackmore: Would the minister please tell the house and the country what is the general nature of the geodetic survey, and what would be the value of such surveys to Canada?

Mr. Comtois: There are two items or sections which might give the answer to that question. Firstly there is the economic part which is to provide for horizontal and vertical control by means of precise triangulation, precise traverse, shoran trilateration and precise levelling for the mapping and charting of Canada, so that all other surveys may be co-ordinated on a single datum on a nation-wide scale; to provide the horizontal and vertical co-ordinates and mathematical data required for development projects such as the St. Lawrence seaway, hydro-electric power developments, engineering projects, harbour improvement schemes, and oil exploration operations; to determine the position of survey stations in terms of precise astronomical latitudes and longitudes for control in the demarcation of provincial boundaries, for example, the 60th parallel of latitude.

The second is the scientific part which is to undertake investigations leading to a more precise determination of the size and the shape of the earth; to develop and test improved survey methods and improved methods of carrying out survey computations. To co-operate with other national geodetic organizations, through the international association of geodesy, in the solution of problems in geodesy such as the mathematical solution of long geodetic lines, the adjustment of shoran nets of trilateration, and the determination of the attainable precision in various types of geodetic work.

Item agreed to.

218. International boundary commission, $62,748.

Mr. Dumas: I would like to ask the minister if he could tell the house if the officers of the survey branch were satisfied with the experiments made last summer using the tellerometer for measuring distances and if it is the intention of his department to intensify the use of this instrument?

Mr. Comtois: Mr. Chairman, I can say we are very satisfied and that the officers who use the instrument were absolutely satisfied with the results.

Mr. Dumas: I understand it is the intention of the department to intensify the use of this instrument.

Mr. Comtois: We plan to purchase some more units.

Mr. Blackmore: Would the minister tell the house of two or three of the problems which are now before the commission and under discussion with respect to this item.

Mr. Comtois: Would the hon. member mind giving more details; I did not understand exactly what he meant by his question.

Mr. Blackmore: I notice this is the international boundary commission, including the topographical surveys, and I would just like to know if the minister could give the house two or three of the problems which are currently before that commission for consideration at this time.

Mr. Comtois: The problem actually is to keep in good order and condition boundaries which are already determined and agreed upon and to clear the problems that may exist on the said boundaries.

Mr. Irwin: I presume that under the control of the international boundary commission is the question of boundary markers. Now with regard to the marker at Point Roberts which is the last of six which were, I believe, set up on the original boundary demarcation when it was first laid out from the Rocky mountains to the Pacific coast, there is a situation of which I do not know whether the minister is aware. To the south of that marker, on the United States side, the state of Washington has acquired eight acres of land which they are clearing for use as a park. The Canadian government, however, has paid no attention to their side of the marker; as a matter of fact the marker on the Canadian side is sitting on private property. To illustrate how stupid this thing can get, the owner of that property has actually paid improvement tax on the marker itself. I would suggest that the department get in touch with the provincial government and try to make arrangements to clear six or seven acres of land north of the boundary and make that land into a park, right on the Pacific coast.

It might interest you to know that the United States carefully looks after their side of the marker; it is carefully pointed up and kept cleared and well defined whereas the Canadian side is entirely neglected and I do not see why.

Mr. Comtois: I thank the hon. member for bringing these facts to my attention and I will bring the matter to the attention of the international boundary commissioner for Canada.

Mr. Herridge: I would like to bring to the attention of the minister that some years ago —and I am now dealing with the functions of the board for geographical names—many organizations in my own constituency were very interested in getting a mountain peak named after a very prominent pioneer and citizen who was also a very prominent Conservative. I find some very unusual things with respect to geographical names. With regard to this outstanding citizen who made a great contribution to the Kootenay district in the early days, it has not been possible to name some physical feature in his memory, and yet it has been brought to my attention that in one case a creek has been named after a temporary pot washer in a survey camp. As one strongly in favour of paying tribute to pioneers, both federally and provincially, may I ask what procedures are followed by this board with respect to the naming of physical features of this country.

Mr. Comtois: The board is appointed and consists of a representative of the dominion government and a representative from each province. It holds a regular meeting once a year to discuss questions which come under its jurisdiction, receives suggestions from all over the country, studies the recommendations and prepares a report.

Mr. Herridge: If I send my suggestion to the minister will he take it up with the appropriate people and give it a boost?

Mr. Comtois: Certainly, I will look into it.

Item agreed to.

220. Construction or acquisition of equipment, $122,000.

Mr. Smith (Battle River-Camrose): I wonder if the minister would tell the committee the nature of the equipment required under this vote.

Mr. Comtois: This vote provides for the acquisition of technical and non-technical equipment for both field and headquarters use, such as transit levels, altimeters, photometrical supplies, camp and field equipment, motor vehicles, canoes, outboard motors, small hand tools and so forth.

Mr. Johnston (Bow River): I should like to ask the minister what is being done in connection with the development of tar sands in northern Alberta.

Mr. Comtois: That does not come under this item. It comes under item 230.

Item agreed to.

Canadian hydrographic service—

221. Administration, operation and maintenance, including Canada's annual contribution of $4,125 to the international hydrographic bureau, $3,395,513.

Mr. Kirk: On this vote, Mr. Chairman, I should like to make a brief reference to the grounding of C.G.S. *Baffin* on Black rock, a well marked obstruction off the coast of Nova Scotia on July 4, last. In so far as the hydrographic survey is concerned, I have in the last eight years had many contacts with the officials of the department and I have always found them very efficient and courteous, and I should judge from the report given by the minister on November 11 last, that the minister's finding is the same. I do know that the work being done is greatly appreciated along our coast.

But there is one matter we cannot understand, and that is how a ship equipped with all the modern electronic and navigational aids such as the *Baffin* has could run into such a difficulty. The report the minister gave on November 11 has one sentence in it that I should like to bring to the attention of the house. An 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 hydrographic officers navigating the ship. From my knowledge of those navigating officers and of the hydrographic staff I do not find that hard to understand, but from the point of view of those who write articles and editorials in newspapers in the province of Nova Scotia, it is more difficult to follow.

What was this peculiar combination of circumstances which caused the grounding of the ship? Two or three days ago I asked the Minister of Transport if he would be willing to table the report of the inquiry which was carried out by his department—the report to which the Minister of Mines and Technical Surveys referred to on November 11—but the Minister of Transport said the report was not a report made under the Canada Shipping Act; that it had been carried out by one of the officers of his department and, as such, he did not consider it appropriate for publication. But I think there are a great many Nova Scotians along the coast who are very much interested in the cause or causes of this grounding. The ship had all the modern navigational aids, and, as the Minister of Mines and Technical Surveys said in his statement, they were the type of aids used on another ship, the *Kapuskasing,* and they had been found very accurate.

It may well be that something unusual occurred in the use of these instruments. They may have been found defective, and if so I think we are entitled to know, because instruments of this type are being used by fishing boats and many other types of ships all along our coast. If anything of this nature caused the trouble I think it would be for the good of the public to know whether lives are being endangered or public property being subjected to undue risk. That being so, may I ask the minister if he will table a report and give us a full explanation of what he means by the phrase "a combination of circumstances".

Mr. Comtois: I will certainly table the report. I cannot say it will be the report of the Department of Transport but it will be the report we have in our department.

Mr. Kirk: Did I understand the minister to say he was ready to table the report he has in the department?

Mr. Comtois: Not the report of the Department of Transport but the report we have, presented by our officers in our department.

Mr. Kirk: The minister is willing to table that in order to give us a chance to find out the reasons for what occurred?

Mr. Comtois: The reason is very simple. Some confusion arose in the reading of the instruments. There was some confusion, I understand, in the reading of the position of the ship—what is called the Decca positioning—that is the instrument used on the *Baffin.* That does not mean it was not good. Anyone can cut his finger on a very good knife. It was just a mistake or a misinterpretation. Anyway, the accident happened without there being any negligence on the part of the staff or the officers there, and that is the report we have.

Mr. Kirk: I still am not sure whether the minister said he would table the report.

Mr. Comtois: I am ready to table the report I have in my department.

Mr. Carter: Mr. Chairman, I should like to follow up the questioning of my colleague who just took his seat. Will the minister clarify the chain of command on these hydrographic ships? There are some rumours to the effect that on hydrographic ships there is a divided command between the captain of the ship who is not classified as a captain but as a sailing master and an officer of the department who is classified as the officer in charge. I think the public would like to know just where the dividing line runs in the duties, responsibilities and authority of these two individuals. For example, which one of them is regarded as the senior officer? Which one is regarded as being responsible for the safety of the ship and the safety and lives of the crew? Who decides when the boat shall sail, when it shall anchor and

where it shall anchor? Who decides when it is fit to lower the boats and land men on a lee shore? There is some feeling that part of the confusion to which the minister has referred is attributable to the confusion in command and I think it would be well for the minister to clear that up.

I noticed that in his reply to the question asked by my colleague the hon. member for Shelburne-Yarmouth-Clare the minister mentioned that the instruments were not working properly or were not giving accurate readings. I did not quite understand what his answer was in that respect but the question I want him to clarify is this. Just what was happening to the instruments? Did they fail? Were they not accurate? Was the captain in charge of the ship relying solely on instruments and was he not taking the usual precautions which every navigator would take regardless of instruments?

Mr. Comtois: It is difficult for me to give those details at the present time. If the hon. member will grant me some time in which to compile them I will table those details about the matter.

Mr. Carter: Thank you very much.

Item agreed to.

222. Construction or acquisition of buildings, works, land and equipment, $210,225.

Mr. Blackmore: Before this item carries, Mr. Chairman, would the minister give the house some idea as to what buildings, works and lands were acquired in the year 1956-57? There is quite a lot of money involved and I feel there should be some record of what the money was spent for. I wonder if the minister could enlighten us on that matter?

Mr. Comtois: Mr. Chairman, I think I answered that question on Item 220.

Item agreed to.

223. Legal surveys and aeronautical charts, including a grant of $500 to the Canadian institute of surveying and photogrammetry, $689,686.

(*Translation*):

Mr. Dumas: Mr. Chairman, I wonder if the hon. minister could now answer the questions I put to him before recess.

(*Text*):

Mr. Comtois: Mr. Chairman, in answer to the comments of the hon. member for Villeneuve the situation regarding aerial photography is that most of our contracts are given to the three largest operators in Canada who are as follows: Photographic Survey Corporation, Toronto, Spartan Air Services Limited, Ottawa and Air Surveys Limited, Vancouver. I know of no reason for any delay in completing our contracts other than weather conditions. It is because of such occurrences that the department is most anxious to complete the aerial photographic coverage of the mainland of Canada in order to commence our plan for a similar coverage of the Arctic islands in 1958. At this date the mainland in Canada for all practical purposes is complete but due to problems of weather small areas may not be completed for another season or two.

Mr. Irwin: Mr. Chairman, I have a question or two on this item which I would like to have cleared up before it passes. On looking at the details of the item I notice there is an amount of $500 as a grant to the Canadian Institute of Surveying and Photogrammetry. I am not quarrelling with the amount or the purpose of it but on the large sheet which is attached to the blue book under column 20 which is headed "Contributions, grants, sudsidies, etc. not included elsewhere" is an item for this department amounting to $9,405,485. I notice throughout the estimates of this department there are assorted amounts for grants, subsidies and so forth. Is the figure of $9 million-odd shown on the chart the sum of all those which are shown in the book or is it in addition to them because according to the heading of the column it is additional? Would you please clarify that?

Mr. Comtois: The grants and subsidies are included in the emergency gold mining assistance and you will find this major item later on. Does that answer your question?

Mr. Irwin: So we can assume that the item shown on the large sheet is in addition to those tabulated in the book, is that correct?

Mr. Comtois: They are all tabulated in the book including the gold mining assistance.

Mr. Irwin: That item is in addition to what is in the book?

Mr. Comtois: No, no. It is not additional, it is the same thing.

Mr. Irwin: It is included?

Mr. Comtois: Yes.

Item agreed to.

224. Provincial and territorial boundary surveys, $52,300.

Mr. McIvor: Mr. Chairman, I would just like to express appreciation to the officials of this department for the way they have made the maps of Canada available for us.

Some hon. Members: Hear, hear.

Item agreed to.

Geological surveys—

227. Administration, operation and maintenance, including the expenses of the national advisory committee on research in the geological sciences, an amount of $1,875 for Canada's share of the cost of the committee on mineral resources and geology, London, England, and an amount of $40,000 for grants in aid of geological research in Canadian universities, $2,454,067.

Mr. Peters: Mr. Chairman, does this item include grants to the provincial mining schools like the Haileybury mining school and the one at Port Arthur?

Mr. Comtois: No, Mr. Chairman.

Mr. Peters: Are grants made by the department to these mining schools?

Mr. Comtois: No, Mr. Chairman.

Mr. Dumas: I wish to mention that those interested in prospecting and exploration in my constituency and in northwestern Quebec generally were very pleased to see that early last spring the department decided to publish the information gathered by the Dominion Gulf Company during the course of the years 1947, 1948 and 1949. I realize that the department has already published 21 or 22 of these aeromagnetic surveys and I notice that there are 10 or 12 yet to be published. Can the minister tell the house if the 10 or 12 additional maps will be published soon and available to the public in the near future?

Mr. Comtois: I am informed that we are proceeding with all diligence in producing these maps and they will be published as soon as possible.

Mr. Fisher: Mr. Chairman, further to what the hon. member for Calgary South had to say last night, I should like to know whether the geological survey branch of the department has a difficult time keeping geologists at the present salaries. The hon. member for Calgary South intimated that they did. What has been the turnover? I should also like to have a break-down of the $40,000 granted to universities for geological research in terms of schools and types of research. For example, I should like to know whether this money is used to send someone out in the field or whether it is for laboratory projects. Third, I should like to know whether the money is apportioned through provincial channels or do applications come directly to the geological survey branch? If applications come directly, I should like to know what the total amount applied for is. I am assuming that there has been more applied for than has actually been granted.

Mr. Comtois: In 1953-54 there were 13 geologists appointed and seven left in the same year. In 1954-55 12 were appointed and three left. In 1956-57 there were seven appointed and 15 left. In 1957-58 we have taken on nine and four have left. From 1953-54 to 1957-58 we have taken on 41 and 29 have left.

Mr. Fisher: Does the minister not agree that these are rather catastrophic figures? Is he planning to do something about the matter and does he think salary boosts would alter the situation to a certain extent?

Mr. Comtois: Of course if salaries were higher we could keep more than we do. That is all I can say to that.

Mr. Stick: Mr. Chairman, I have a matter which I consider to be very important to bring to the attention of the minister. As he may or may not be aware the boundary between Newfoundland-Labrador and Quebec has never been settled. Newfoundland was awarded a large part of the Labrador territory by a decision of the privy council many years ago. There was not a dispute but a disagreement as to who had jurisdiction over large sections of Labrador, and many years ago a case was taken to the privy council for decision. That course was agreed to by the province of Quebec and by the dominion, as it then was, of Newfoundland.

As a consequence of that decision, which was incorporated in the terms of union, the boundary between the province of Quebec and Newfoundland-Labrador has never been properly defined. I have no desire to raise any quarrel between Quebec and Newfoundland but, as the minister is probably aware, big mineral developments are taking place in this territory. I understand that there are huge iron ore deposits on both sides of the border so that these companies eventually, and probably pretty soon, will have to find out to whom they are to pay their royalties, whether to the province of Newfoundland or the province of Quebec.

I know that this may not be the minister's responsibility but I was given to understand that such surveys are made by the minister's department on request from the provinces. This matter has not reached the stage yet where it is very important but it will soon. Speaking as far as Newfoundland is concerned, may I say that we do not want one inch of territory from Quebec to which we are not entitled. The minister's department may be called upon to carry out such a survey. I should like to know whether a request has come to the minister either from the province of Newfoundland or the province of Quebec to carry out such a survey, and if a request came would the minister be prepared to carry out a survey?

Mr. Comtois: We have never had any request either from Newfoundland or Quebec. If we receive a request we will certainly consider the application for such a survey.

Mr. Peters: Could we have a break-down with respect to the question asked by the hon. member for Port Arthur concerning grants to schools and what schools such grants go to?

Mr. Comtois: As this would mean making quite a long report I would ask leave to defer the giving of the information until the next sitting of the house in committee of supply. I will certainly be glad to give all the information.

While I am on my feet, may I reply to the question of the hon. member for Port Arthur. First, there is very close co-operation between the provinces and our geological survey, and I do not know of any duplication of effort. To answer his second question concerning provincial gazetteers, I do not think we plan at the moment to have a cumulative gazetteer of Canada. In answer to his third question, I do not know if the queen's printer keeps the type set up for publications of our department. I do not think he does. To answer his fourth question, at the moment we are carrying out experiments on reducing iron ore with city gas and we plan to do it with natural gas when it is available in Ottawa.

In so far as the fifth question is concerned, I would say that there is no charge to industries for research we undertake at their request, except for very special and costly projects.

Mr. Peters: In connection with this research, may I ask the minister if any assistance is given to universities or in any other manner towards the development of the lignite field in northern Ontario? In addition, has the department assisted in developing a process for the removal of cobalt from the ores in the Cobalt area?

Mr. Comtois: The answer to the first part of the question is no. The grants given are just for geological studies.

Mr. Fisher: In connection with the information given as to a break-down of the schools, could that be put into the annual report? It may be in there but I have not been able to find it. I think it is interesting and fairly important, especially if in the future the department might expand the size of the grants in aid in this particular regard.

Mr. Comtois: I will agree to that, Mr. Chairman.

Mr. Holowach: Mr. Chairman, I should like to ask a few questions of the minister with respect to these items. I wish to ask him a few questions which have been in my mind ever since this department had its estimates submitted to us. It is a question that could properly be asked of every one of the ministers whose estimates we are asked to consider. Common sense tells us that our main function at this time is to approve only those estimates which are absolutely essential to the maintenance of indispensable services. I think the only protection that the taxpayer of this country has is that we make careful examination of the mass of figures that are submitted to us in these estimates.

In order to protect the taxpayer's purse I think we ought to have a little bit of information with respect to the computation of these figures. I think one of the dangers in the manner of examining these estimates is that they are brought into the house and after a few political speeches on the need for spending more money on some pet local projects, they are passed. I think we would be fooling ourselves if we were to adopt the attitude that there is no waste in federal bureaucracy. This is no reflection on the dedicated men and women who are in the civil service, but it is a reflection on the situation which is a natural consequence of extravagant and ever-growing government in the past 22 years. Therefore in this connection I should like to ask the minister in what manner are some of these cost items determined in connection with item 227? What manner of checking is used to determine these to be indispensable? Are these estimates of costs submitted on the basis of current prices and wages or do they contain probable increases; if so, what percentage-wise?

Might I ask the minister, too, if in the discharge of his responsibilities and a preliminary examination of these estimates he is satisfied all of these items are absolutely indispensable? What consideration has he given to inducing private enterprise, by bid, to undertake some of these projects and make their information known to the government and to the public? I am not opposed to essential spending, but it seems to me that we are considering the original estimates of the previous Liberal government and the question is, is this a government which is dedicated to eliminating waste and extravagance? If it is, when and where do we start?

Mr. Comtois: As I told the committee yesterday, Mr. Chairman, these estimates were prepared for 1957-58. I am not quite responsible for everything that is presented today. However, I might say that since I was appointed on August 7 I have been looking very carefully at the work that is done in the department and how it is being conducted. I have been in another department in Quebec

for 20 years and I have always been sharp-eyed about expenditures. I know that in this department every expenditure, every estimate is carefully studied and discussed by the officials of the department, then with the executives, then with the deputy minister and then with the treasury board. They are very carefully studied.

In so far as the estimates for 1958-59 are concerned, when they are presented at the next session I shall be fully responsible for them and I shall give hon. members every detail they request and the reasons for any expenditures in connection with any particular work.

Mr. Marler: I thought I understood what the minister just said, Mr. Chairman, with regard to these estimates. I take it, of course, that in submitting them to the committee he does stand behind them. He is not suggesting that the expenditures which are covered by them are not to be made; I hope that was not the purport of his remarks. I take it from what he has said that inasmuch as his government made a great issue of this question of waste and extravagance during the election campaign, now that he has had an opportunity of seeing the spending program of his own department he is satisfied there is no waste or extravagance in the items with which we are dealing now?

Mr. Patterson: In view of the statement just made by the minister, I wonder if we are to assume that the statement made by the Minister of Finance does not apply to this department, when he said they were not prepared to support all the projects outlined in the estimates. Is that assumption correct or are there some of these projects that the government is not backing?

Mr. Comtois: I may say that the major projects are going ahead. I cannot go any farther than that.

Mr. Patterson: I do not think that answer is quite satisfactory. I asked if there are any of these projects in these estimates that the government, the department and the minister are not going to back?

Mr. Comtois: Not in this department.

Mr. Irwin: Am I to understand from the minister's answer that all the estimates submitted here by the Minister of Mines and Technical Surveys are going to be accepted by this government, without any exception? Is that what I understood from the minister's answer?

Mr. Robichaud: Everything is in good shape.

Mr. Comtois: There is always research going on in the Department of Mines and Technical Surveys. It has been started and must go on.

[Mr. Comtois.]

We must meet the demands that are made by some other departments of government.

Mr. Knowles (Winnipeg North Centre): I appreciate the difficulty in which we seem to be placing the Minister of Mines and Technical Surveys, Mr. Chairman, but I think he should understand that in our review we have the right to put this type of question to every minister as he brings his estimates before us. The Minister of Finance, on October 15 of this year, when he tabled the blue book of estimates and thus made them this government's estimates, said that nevertheless there were some of the programs contained in those estimates that the present government did not intend to proceed with and he said this, as reported at page 11 of *Hansard*:

> —such changes as this government proposes to make in the current year's programs will be brought to parliament's attention when the individual items affected are being considered by the committee of supply.

We have already had one department's estimates, namely those of the Secretary of State, which we have gone through. No changes were made in the estimates of that department. The point of my question now is to find out whether any changes are being made in the estimates of this department. Is it clear then that as far as this minister is concerned, what the Minister of Finance said does not apply to him but rather that all the estimates under this department will be voted in full by this session of parliament?

Mr. Robichaud: Maybe it applies only to the Minister of National Defence.

The Chairman: Shall item 227 carry?

Some hon. Members: No.

Mr. Knowles (Winnipeg North Centre): I take it that silence gives consent but perhaps it might better be put on the record.

Mr. Comtois: It seems that perhaps the hon. member for Winnipeg North Centre was not in the house when I made my first statement when starting with the presentation of my estimates.

Mr. Knowles (Winnipeg North Centre): I was in the house.

Mr. Comtois: If the hon. member was not in the house, I will read again what I said, if he agrees.

Mr. Marler: Go ahead.

Mr. Comtois: As reported at page 1380 of *Hansard* I said this:

> Since the date of my appointment as minister of this department I have carefully examined these estimates, together with my officers, and as a result it has been found possible to divert approximately $500,000 to other requirements which

were not foreseen at the time these estimates were prepared. Specifically, about $250,000 was used to help defray the cost of the general salaries revision of May 1, 1957, and a smaller amount was used to assist in settling accounts resulting from the grounding of the C.G.S. *Baffin* in July, 1957. Hon. members will appreciate that had this action not been taken it would have been necessary to request additional funds by way of supplementary estimates in order to cover these items.

It must be borne in mind that the efforts of my department are concerned mainly with national development and scientific research and, in such directions, a maximum effort is required at the present time to enable us to keep pace with rapidly changing requirements in the scientific and technical fields.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I recognize the statement the minister made yesterday. I may say to him that I am not quarrelling at all with the reallocation that he made within the framework of his estimates. I am not even quarrelling with the fact that he is not seeking a reduction in any of his estimates. What we are trying to find out, department by department, is whether the Minister of Finance meant what he said when he declared that somewhere along the line some estimates would be reduced. As far as this department is concerned, I take it that there is no reduction in the total amount of money asked.

Mr. Robichaud: In view of what the minister has just said, can the minister specify what services in his department were curtailed in order to allow a saving of $500,000?

Mr. Comtois: There was no service curtailed. It was just that some adjustments were made in some branches, projects that need not necessarily be completed this year. That is the only change that was made.

Mr. Hahn: In his address yesterday the minister indicated that approximately $500,000 has been diverted to other requirements. In diverting an estimate, I take it that you took from one estimate that figure of $500,000, and added it to another. Would he indicate which one was reduced and to which one an addition was made so that we would have more specific figures to work with?

Mr. Comtois: Some change could be made on account of the delays in deliveries of some purchases that had been ordered. Owing to those delays we could divert some moneys and apply them on another item.

Mr. Hahn: Would the minister indicate—

Mr. Comtois: In the same vote, I mean.

Mr. Hahn: Within the same vote itself?

Mr. Comtois: Yes.

Mr. Hahn: So the vote itself is not changed?

Mr. Comtois: No.

Mr. Barbes: May I first congratulate personally the minister for having been called as a member of the present cabinet. Then may I refer to a recent book entitled "Prospecting in Canada" published by the Department of Mines and Technical Surveys. My request would be for a translation of said work and for its distribution in our high schools and our libraries so that this very up to date publication may be available also in the French language for distribution at the earliest possible time. Many people in the district of Abitibi which I represent here will thus obtain considerable information which would eventually allow them to take a more effective part in connection with research and the development of new mineral deposits, be it for iron, zinc, gold or copper.

The minister is also requested to offer the public more publications in both the English language and the French language. This would be useful for more than one area in the province of Quebec at least. The publication to which I referred, namely "Prospecting in Canada" by A. H. Lang, published in 1956, publication No. 2529, contributes to the expansion of the Canadian mineral industry and to the success of many prospectors, students and companies. It includes very interesting data on the stature of Canada's mineral industry. It refers to prospectors of the past, prospectors of today and prospectors of the future. Conventional methods of prospecting and special methods also are explained in the publication. More particularly I refer to geophysical prospecting methods, the dip needle, the gravity method, seismic methods and electrical induction methods. It compares ground and airborne magnetometer surveys.

In view of the very interesting discovery in Chapleau riding of zinc and iron ore deposits lately, we ask the minister if he will order a helicopter-equipped party to complete more topographical mapping along the Harricana river and also along the Nottaway river which both flow towards James bay. Such mapping in the area north of lake Mattagami would permit more complete and adequate knowledge about possible hydraulic development associated with other mining and industrial projects of interest at the present time for the Harricana and lake Mattagami areas.

This would undoubtedly be useful at this time for the provincial authorities who, we are told, are considering the possibility of authorizing industrial development in the area.

The Chairman: Shall item 227 carry?

Mr. Blackmore: Before we go on to the next item, Mr. Chairman, to show you the

kind of thing that troubles us when we contemplate some of these items, may I point out that we have $2,454,000 involved in this item for 1957-58. We were told that this is for administration, operation and maintenance including the expenses of a national advisory committee on research in the geological sciences. Judging from the other items which seem to be covered in the full item the expenses of the national advisory committee to which I have referred seemed to be, to say the least, generous.

I just wonder if the minister could give us the number of people who are included in that national advisory committee. I am not so much concerned about salaries because if they are the right men they are worth a lot of money but I would like to know how many men and women are involved.

Mr. Comtois: What the member is asking will be contained in the information I will give the hon. member for Timmins.

Item agreed to.

Mines branch—

229. Mines branch administration, $123,514.

Mr. Johnston (Bow River): This is an item which I mentioned a while ago on which I wanted to get some information from the minister. This is the administration of mines and research branch administration, and I would like to ask the minister now what has been done recently with respect to the development of tar sands in Alberta?

Mr. Comtois: Mr. Chairman, we are carrying out some research experiments through our fuel division in an endeavour to remove the sulphur content from the tar sands and reduce the distillents. Research in extraction methods was conducted some years ago.

Mr. Johnston (Bow River): I understood the minister to say that there were programs of research being carried out. I could not hear him very clearly but I am sure that that is what he said and I would ask him to explain that because I do not understand it.

Mr. Comtois: I said experiments are actually being carried out in our fuel division.

Mr. Johnston (Bow River): Well, may I ask the minister what are those experiments which are being carried out. It does seem to me kind of ridiculous, Mr. Chairman, that after about 25 years when the federal government has been carrying out its experiments in the development of these tar sands, all the information we can get today is that there is a little bit more experimentation being carried on. I would like to know what progress is being made and what are those experiments?

[Mr. Blackmore.]

Mr. Stick: Hurrah.

Mr. Johnston (Bow River): We can remember that during the war nothing had been done by the federal government—who were then the Liberals—until an emergency arose and we were on the verge of being denied any supplies of gas or oil fuel during that war. Then all of a sudden the government began to spend a few million dollars in an effort to get some extraction of oil and gas from the tar sands. We built a pilot plant which was burned up and that was the end of it. We have now spent more than $100 million—well I really do not know how much is being spent—but nothing concrete was given us in this report of the committee today.

I do not want to press the point too hard because the minister is a new minister but he does have his advisory staff right in front of him and surely we should be given something very concrete on what is being done to develop these tar sands, if anything is in fact being done.

Mr. McCleave: It is taking as long as it takes to get your Social Credit dividends through.

Mr. Johnston (Bow River): Please give us something to indicate what you are doing here to protect us in the case of an emergency. This is not the time to wisecrack, we are facing an important situation here.

Mr. Comtois: Mr. Chairman, we have produced through research in our fuel division a method of extracting bitumin and tar from the tar sands and if our experiments for the industry as a result of our research and studies and the compilation thereof, are found to be economically applicable, it is up to them to take advantage of the situation.

Mr. Johnston (Bow River): But what type of extraction is being used? There are several types of extraction being applied; for instance, steam pressure. What is the type of which you are speaking and which you have developed, which I take from what you say has come to the point where it might be an economic feasibility and is now up to the industries to take hold of. What is this process you are talking about?

Mr. Comtois: I do not think such a discussion should take place at the moment. The compilation of our research has been given to the interested people and our findings have also been given to the national research council.

Mr. Quelch: Which oil companies are carrying out the investigations at the present time.

Mr. Comtois: Royalite and some other companies.

Mr. Johnston (Bow River): What process which you have given them are they working on?

Mr. Comtois: Mr. Chairman, do you think I have to give a full course on research and experiments in this committee.

Mr. Johnston (Bow River): I do not wish to appear unco-operative with the new minister but surely this is the time when we are entitled to the information, since the minister has his experts before him. That is why I am asking him this question, as he can get his information right from his experts. This is not something new; we have discussed it, and I have discussed it personally, in this house on many occasions. The government has also spent on it literally millions of dollars. I am just trying to find out what we are getting out of this spending and what process, through all these experiments which have been carried out and as a result of certain conclusions, is being followed? To which companies outside of Royalite has this process been given?

Mr. Brooks: I wonder if I might just interject here. I think the minister is being asked about something which is really the province of the national research council and it is hardly fair to expect him to explain all the research which is being carried out on all the different minerals being mined throughout the country. I was in New Brunswick the other day and I noted a new system there called flotation in connection with concentration of base metals. It does seem to me unfair to ask the minister to give all this information on research. I understand his department does help in any way it can with respect to private companies who wish to do research. I have been in the house for 22 years and every year there has been a question on tar sands. Now I was very pleased the other day to read where some English company which was interested in the tar sands hoped to develop, through their research and so on, some method of abstracting oils from the tar sands.

However, I do not see how the minister could explain here the different methods which have been thought up to extract this oil from the tar sands. It may come within his province but, frankly, I do not really think it does.

Mr. Johnston (Bow River): Mr. Chairman, I am surprised that the Minister of Veterans Affairs should make a statement like that. He knows that the Department of Mines and Technical Surveys is the department under whose estimates this matter is always dealt with, and we have always had an opportunity of discussing these things. The minister has already told us that in the department over which he has jurisdiction they have been working on certain processes. He has even gone further and told the committee that they have perfected certain processes to the point at which they have been passed over to private industry in the hope that private industry will make them applicable in an economic sense. Now I am asking the minister—and surely we should be able to have this information—what are these processes. I am not asking him to define in detail the procedures involved, but I do want to have an outline of the information which the department must have.

After all, the expenditures with regard to this amount to millions of dollars. Surely the department must know of at least one type of treatment among the different types of processes they are experimenting with. It is not for the Minister of Veterans Affairs to get up and say it is not fair to ask the minister for this information. If it does not come under this department—

Mr. Brooks: I think it comes under the national research council.

Mr. Johnston (Bow River): Then the Minister of Mines and Technical Surveys does not agree with the Minister of Veterans Affairs; those two gentlemen should get together behind the curtain and decide just who is going to take responsibility. What I want to know is what is happening to all this money, and I think the committee has a perfectly right to know.

Mr. Quelch: Mr. Chairman, I think there is a reason for some suspicion being in the minds of a good many members of the committee with regard to the extraction of oil from these tar sands. Back in 1945 we had a committee set up of which I was a member, and at that time we had a Dr. Ellis, or Dr. Ells who appeared before the committee from the department. He gave a very optimistic report about the development of the tar sands. He had spent some 20 years up there, and was a master of the subject. As I say, he spoke in glowing terms, and the committee was completely prepared to make a recommendation regarding the development of these sands, but the next day another official, another officer from the department, a man who was apparently Doctor Ells superior, poured cold water over the whole thing and suggested we

should forget all about it. Dr. Ells had suggested the steam pressure method of extracting the oil but, as I say, the next day another official came, a man who was apparently the superior of Dr. Ells and poured cold water over the whole thing.

That was about 12 years ago, and since that time very little progress has been made. It is true, as the hon. member for Bow River has stated, that a pilot plant was built. That was burned down. I think another was built, and that was burned down too. So there has been very little progress since that day, and it is only natural that some hon. members should be suspicious. I understand, now, that Royalite is going ahead. There is some talk of building a pipe line. But until they have found some satisfactory method of extracting the oil it is somewhat premature, it seems to me, to be talking about pipe lines.

When a feasible method of extracting the oil has been found, it will be quite soon enough to talk about building a pipe line to bring the oil down to Edmonton.

Mr. Johnston (Bow River): Can the minister tell us, now, after consultation with the technicians, what the processes are?

Mr. Comtois: Would the hon. member be satisfied if I sent him a full report of the work that is being done?

Mr. Johnston (Bow River): Personally, Mr. Chairman, I think I would be satisfied, but I doubt whether the rest of the committee would. They will have to speak for themselves. We are being asked to pass quite an item. In view of the fact that we have spent millions upon millions of dollars trying to develop this thing, and the department is not in a position to give us any more information, I guess we will just have to say that the department does not know anything about it and will try to find out something and let us know later. That being so I will sit down and say no more at the moment.

Mr. Irwin: Mr. Chairman, the department's salary expenditures amount to something like $10 million. Of that sum, approximately one-fifth is spent in this particular branch. What we are really wanting to know is what we are getting for it. Two and a half million dollars has been spent by this department and we cannot get a satisfactory answer about what is being done in a specific case. These resources belong to the people of Canada. Why should they not know what is being developed? Why should they not be told what is being done? They are paying the shot. If this was a private company the directors of the company and the shareholders would have the right to know and they would insist on that right and, believe me, the shareholders of Canada unlimited are making exactly the same demand.

Mr. Patterson: Mr. Chairman, the name of one company has been mentioned—Royalite—and the minister said there were others. Surely we could have the names of these other companies? Reference was made to a British company that was interested. Apparently the information was given to them. What was the name of that company?

Mr. Comtois: The Sun Oil Company, I believe.

Mr. Patterson: That is a British company?

Mr. Marler: Sun Oil is not a British company.

Mr. Patterson: Are we to assume that just two companies have received this information, Royalite and Sun? We still have not got the name of the British company. I do not know what is going on here. I think there must be a military secret involved, or something, because I cannot see why we should not get the names of the companies. We cannot get the name of one company. If information has been turned over to a British company, what was the name of that company.

Mr. Lesage: The British company was mentioned by the Minister of Veterans Affairs.

Mr. Patterson: Perhaps the Minister of Veterans Affairs could tell us, then.

Mr. Brooks: The hon. member probably had the same opportunity to get the information as I did. I got my information from the newspaper, that there was a British company which was greatly interested in the tar sands, and that there was a prospect of development.

Mr. Marler: Sounds like a curtain of secrecy.

Mr. Patterson: Perhaps the Minister of Veterans Affairs got his information from the newspapers, but surely we can get ours from the Minister of Mines and Technical Surveys.

Mr. Comtois: I can tell the hon. member that every company has received information from our department. We know that Royalite and Sun Oil have taken advantage of our information. As far as the others are concerned, we do not know, but I can tell the committee the companies have received all the information we have produced.

Mr. Patterson: These companies have been given the information, but we in this committee do not know what is the information. The hon. member for Bow River has been

trying to get the information, but we are still without the information which has been given to the companies.

Mr. Hahn: Mr. Chairman, I believe the minister should take careful note of this discussion. In the light of what has taken place, does he not think it is sufficient proof that the standing committee on mines, forests and waters should be called so that we could have representatives from the companies and others here to question them and find out what this is all about?

Mr. Knowles (Winnipeg North Centre): Would the minister say on what terms or conditions any processes developed by the department are turned over to private companies?

Mr. Comtois: I think I said this morning, Mr. Chairman, that the research we do and the information are given without any charge except when it is a very large project or something that requires a large expenditure.

Mr. Knowles (Winnipeg North Centre): Well, Mr. Chairman, I think part of the confusion created this afternoon arises from the fact that sometimes the minister has referred to information as though it were just a bulletin of some sort you might get from the Queen's printer and on some occasions he has referred to specific processes developed by the department for the extraction of oil from the tar sands. Which is it, just an information bulletin or has the department developed an effective process which it has turned over to a private company?

Mr. Comtois: The process is described in the report issued by our department.

Mr. Johnston (Bow River): What is that process described in this bulletin? What is it called?

Mr. Comtois: The cold water process.

Mr. Johnston (Bow River): And what is the name of the bulletin? I have been seeking that information for some time.

Mr. Comtois: There is the hot water process and the cold water process. That is all I can say right now.

An hon. Member: And the tepid water process.

Mr. Johnston (Bow River): Well, Mr. Chairman, the cold water process and the hot water process and the lukewarm water process were being discussed here during the last war.

Mr. Cardiff: Which would you like to have, hot or cold?

Mr. Johnston (Bow River): I am not fussy, I just want any one.

Mr. Comtois: I would suggest that the hon. member take one or two days off and visit our department and then he will be very well informed and will understand everything that is being discussed.

Mr. Johnston (Bow River): I am sure we would like to accept that kind of invitation which the minister extends.

Mr. Comtois: That is a standing invitation.

Mr. Johnston (Bow River): However, would the minister expect that with one hurried trip we could learn as much as his departmental officials, his experts, have accumulated in knowledge over all these years? Perhaps he would like to enlarge his invitation to cover a period of two or three days and make it a government commission rather than a hurried visit. I am going to suggest that the minister allow this item to stand and that on Monday he bring in the officials who are acquainted with this process. I am not trying to embarrass the government or the minister but I do suggest that this item stand over until we can have the proper experts brought here who could explain to us what is being done particularly in relation to the development of the tar sands and various other processes the minister has referred to and about which we do not know very much and about which the minister does not know very much as he has admitted. He told us he could not give us the information. We want to know what the results have been from the expenditure of all this money. This process has been going on for 25 or 30 years and surely for all the money that has been spent the department must have found some little, wee, tiny process be it hot water, cold water or lukewarm water. We do want to know.

I might tell the minister that about a year ago the department had given up the idea of the hot water process and had started on another type of process. And the department at that time claimed that the cold water process—or rather the hot water process; I am getting my waters mixed up—

Some hon. Members: Oh, oh.

Mr. Johnston (Bow River): —at any rate they claimed that the hot water process had proven useless in this case. It is true that in the province of Alberta they still maintain that the steam process is the best and that is the one they are working on there and they do not agree with the federal government. The minister says the federal government is still going on with the other process, the hot or cold process—take your choice—

Mr. Lesage: It is cold water that is thrown on the committee.

Mr. Johnston (Bow River): —and I think the minister should allow this item to stand so the committee may have some proper information concerning it on Monday.

Mr. Richard (Ottawa East): Mr. Chairman, it just occurred to me that after that lucid explanation given by the hon. member for Bow River we should not require any more explanation from the minister.

Mr. Johnston (Bow River): I do not know whether or not you are trying to make a wisecrack.

Mr. Richard (Ottawa East): Mr. Chairman, if I am funny it is because I am trying to be. I am not saying something that is serious and I think it is funny.

Mr. Johnston (Bow River): Well, you do not sound very serious to me so it must have been a wisecrack. I would not say we have not received anything from the minister but I would point out that the minister is not quite fully informed on this subject and I think he should take into consideration allowing the item to stand so he could bring down the information on Monday.

Mr. Lesage: He is informed now.

Mr. Comtois: Mr. Chairman, I am not here to conduct a scientific course concerning every detail of what is going on in my department. I am ready, however, to produce and to table every detail of what has been going on and what has been accomplished this year if this would satisfy the committee. If hon. members agree to that I am ready to produce every detail of the operation of my department in that respect. Otherwise I am ready at the next sitting to come back with full details and read to you for about half an hour or three-quarters of an hour every detail about the hot water process and cold water process. The hon. member will realize that ice water or hot water or cold water in scientific terms means something other than something to drink or something with which to burn his tongue.

Mr. Johnston (Bow River): Mr. Chairman, I am sure the minister has now gone into a little detail about this.

Mr. Comtois: Not at all.

Mr. Johnston (Bow River): I would point out to him, however, that it does not make any difference to me how the information is brought down as long as it is brought down. If he wants to table this detailed information that is quite all right. On the other hand if he wants to come back on Monday, and I think this would be the preferable way, he could take half an hour to give us the information and explain to the committee exactly what these processes are for which we have spent millions of dollars and that would be quite satisfactory to me.

[Mr. Lesage.]

Item agreed to.

Mineral resources investigations—

230. Administration, operation and maintenance, including a grant of $22,500 to the Canadian institute of mining and metallurgy to assist in defraying the cost of the sixth empire mining and metallurgical congress to be held in Canada in 1957, $2,780,073.

Mr. Bryson: Mr. Chairman, I hope this is the item under which I can put a question to the minister and I do so only to have some further clarification on it. It has been brought to my attention that independent prospectors are unable to buy or obtain some of the new instruments that are being used in the process of prospecting, for instance gravity meters. When they apply to the companies concerned they are told they are unable to supply individual prospectors with these instruments. Apparently only companies are able to purchase such equipment. Carrying it further, they are told that there was an order to that effect issued by this department. It seemed more than passing strange to me that this should be the case. I am not saying it is an absolute fact because I have not had the experience myself but I have been told these stories by quite reputable people and therefore I wonder if the minister could offer a word of explanation in answer to that charge.

Mr. Comtois: Could the hon. member be more precise about the type of instrument to which he is referring?

Mr. Bryson: I have reference to the gravity meter. That is the only instrument that was brought to my attention.

Mr. Comtois: We do not supply any instruments to prospectors or companies.

Mr. Bryson: That is not my point. The point I am trying to make is simply this. An individual prospector wishes to purchase a gravity meter. He applies to one of the companies, whether in Toronto or Montreal makes no difference, and wants to buy one for his own use. He is told they are not able to make this kind of sale. If he represented a big oil company or something of that nature he would be able to purchase the piece of equipment in question. When he investigates further he is told that this is because of a directive that originated in the Department of Mines and Technical Surveys. I am just asking for clarification. There may be no truth in it but I should like to find out more about it.

Mr. Comtois: I am informed that we never issued any directive or gave any authority regarding this matter.

Mr. Carter: I am interested in mineral resource investigations. Can the minister say whether the department has received any requests to carry out mineral investigations in Newfoundland and, if so, what investigations have been carried out?

Mr. Comtois: The department has done geological surveys, mineral research and topographic mapping according to the requests that have been received from Newfoundland.

Item agreed to.

232. To provide for payments to McGill University in connection with the development of a coal-fired gas turbine, $25,000.

(*Translation*):

Mr. Caron: Mr. Chairman, the remarks of the Minister of Mines and Technical Surveys about me were brought to my attention. I should like to inform him that I am putting his advice into practice at once.

(*Text*):

Mr. Robichaud: I am sure the committee was pleased to hear from the minister today that he and his officials had scrutinized in detail every item of the estimates and on this side of the house particularly we were pleased and not surprised to hear the minister say that no waste or extravagance were found in the department. In connection with this vote, which provides for a payment to McGill University in connection with the development of a coal-fired gas turbine, I am not asking the minister for a scientific course on the experiment made to date but I think the house and the people of the country have a right to know how far the experiment has gone, what stage it has reached, if it is practicable and what results have been obtained to date.

Mr. Comtois: Mr. Chairman, I expected that question. I presume that the hon. member refers to the Mordell project conducted by McGill University at Ste. Anne de Bellevue, Quebec. I have some notes here that I have prepared on the subject. The experimental plant at Ste. Anne de Bellevue was subjected to its final program of test running in 1956. Considerable data was accumulated during that period. A conference on coal-burning gas turbines, planned by Professor Mordell, was arranged to coincide with the final operations in November, 1956. Representatives from Canada, the United States, Britain, South Africa and Australia attended the conference where the results of the Mordell project experiment were discussed in the light of world developments in coal-fired gas turbines. The final editing of the proceedings of the conference should be available very shortly.

The experiment has now reached the stage where the participation of industry or power utilities is necessary for its future development and utilization as an economical power unit. Though there is little hope now of producing a coal-fired gas turbine locomotive that would stem the tide of the rapid dieselization of our Canadian railways, the coal-fired gas turbine could find an application in the field of small power generating stations, particularly where lack of water prohibits the use of a steam plant. It also seems that the gas turbine combined with a steam plant could improve thermal efficiency and reduce water requirements.

I might give the following by way of a resume. The agreement between the department and McGill University was signed in October, 1950. Its purpose was research to improve the utilization of Canadian coal through the developing of a coal-fired gas turbine operating on a design of Professor Mordell, to be used in locomotives and stationary power plants. In November, 1953, the experimental plant was completed and trial runs, testing and experimenting were conducted during 1954, 1955 and 1956. In 1957 $25,000 was provided to maintain a staff for the completion of reports and to pay for expenses in housing the plant at Ste. Anne de Bellevue. For 1958 no moneys are to be provided in the estimates.

Mr. MacEachen: Mr. Chairman, I am rather disappointed that the minister has intimated the intention of his department to abandon this particular project in the sense of not intending to provide further funds to continue the experiment. The last time this matter was before the house was in the summer of 1956 when the estimates of the Department of Mines and Technical Surveys were under consideration. At that time the then minister of mines and technical surveys informed the house that the experiment was proceeding but that difficulties were being experienced with the heat exchanger and the combustion chamber of this particular engine.

He went on to say that it was intended that a symposium would be held in the fall of 1956 to evaluate the experiment. He further told the house that Professor Mordell was very optimistic that this particular experiment would reach the practical stage. I believe that already the parliament of Canada has voted $700,000 or more for this project. We have not been told today at what stage the project is, whether it has any practical application and whether any effort is to be made by the Department of Mines and Technical Surveys to develop the project to

the stage where it can be applied to the locomotives on the railways of Canada which was, I think, the first objective and intention behind the project.

Every time this matter has been before the house members from Nova Scotia and other coal mining areas have been very keenly interested. We had looked forward to this experiment as a potential outlet for coal in the province of Nova Scotia. I hope the minister will tell us just where the project is now, whether it is to be abandoned, what application can be made of it, and whether it is really wise at this stage to abandon it.

Mr. Comtois: Mr. Chairman, after the conference was held it was felt that some time should be allowed in order to study and evaluate the results and see what further improvements could be made. It is for that reason certain delays have occurred. When the representatives are ready, they will notify the department and I presume we can take this matter up again.

Mr. MacEachen: Do I understand the minister to say that the delay or interruption in this project is for the purpose of evaluating the results of the experiments so far, and once that evaluation is undertaken, if it is found desirable further funds will be requested to continue the experiments?

Mr. Comtois: I believe the proceedings of the conference are to that effect, and when a conclusion has been reached there may be a recommendation for additional funds. If so, we will see what we can do. I hope something will be done.

Mr. MacEachen: May I ask the minister whether or not Professor Mordell still has the same optimistic outlook about this project, and whether or not McGill University has requested—

Mr. Comtois: Yes, he does.

Mr. MacEachen: Is the university at the present time in a position where they have enough funds to carry on the work they are doing?

Mr. Comtois: There is nothing being done now except the reports.

Mr. Bryson: Further to the matter I raised a moment ago and in view of the minister's assurance there was no directive sent out from the department regarding the matter, I wonder if the minister would carry the investigation a little farther and communicate with the companies to ascertain just what their policy is in this regard? If they are discriminating against the sale of gravity meters to individual prospectors, then that question would have to be taken up with the Department of Justice. Would the minister look into that?

Mr. Comtois: If the hon. member will give me privately more details so that I can make the inquiries I shall be pleased to do so.

Mr. Johnston (Bow River): This question of the coal-fired gas turbine has come up almost every year for the last 10 or 15 years. As was indicated by one of the previous speakers, we who are from the coal mining areas have been very interested in the progress made on this project. I recall on one occasion the then minister of mines and technical surveys made a speech in which he forecast that it would not be very long before our coal mines would come back to life again because of the tremendous amount of coal that would be used in this type of engine. We all had great hopes that this was going to be the solution for our declining coal mines, but so far we have not seen any results.

I see now that this vote has been reduced by $75,000. This means that in effect there will not be much progress made in the future. It was difficult for me to hear what the minister was saying, but from what he said I took it the department has not given up the idea of developing a coal-fired gas turbine for railway locomotives; is that correct?

Mr. Comtois: I would say the government has not given up hope of developing such a gas turbine but it cannot be produced in time to stop dieselization. It will take some time before a final conclusion can be reached about these experiments. However, a gas turbine cannot be prepared in time to stop dieselization.

Mr. Johnston (Bow River): I understand that the minister has not given up hope, although he has given up research. I make that remark because the estimate has been cut down by $75,000, and that is certainly going to prevent very much increase in research. I would take it also from what the minister has just said that he has hopes that research will be continued in an endeavour to have this gas turbine used in railway locomotives. This was the purpose of development, but now I understand that development work has ceased and that the department is turning the information they have over to commercial organizations to use in a small way.

If that is the case, then all this stuff we have been told over the last years was just so much lukewarm water, if I may use that expression. Only last year we were told that the government had tremendous hopes for

this project; just be patient, they said, and almost any time now this is going to solve our coal problems. I recall quite well that the former minister of trade and commerce, Mr. Howe, was on one of the committees of the house and he told us the project had been sidetracked entirely. Now the minister tells the committee it has been sidetracked but they hope to get it back on the main track later. What are we going to believe? May I ask the minister how much money has Canada spent to date on the development of this coal-fired gas turbine?

Mr. Comtois: We have spent $662,000.

Mr. Johnston (Bow River): Is that the total amount over all the years?

Mr. Comtois: Yes.

Mr. Johnston (Bow River): That is over half a million dollars, as one of my colleagues behind me says, and so far as being used on a railway locomotive is concerned, it is a flop. I think a great deal of economy could be practised somewhere. Surely, it does not take over half a million dollars to find out that this experiment is no good. It almost parallels the millions upon millions that we spent on the tar sands, and then threw overboard. Now, we have got another project. If this government wants to look for places in which to economize I think I could go in as a greenhorn and show them places where they could save a few million dollars. They even went so far as to say it was going to solve our coal mining problem, that it was going to revive our coal industry, by spending that $662 million.

An hon. Member: $662,000.

Mr. Johnston (Bow River): Yes, $662,000. We side-tracked it or at least side-tracked it from the main purpose for which it was intended. I think the government had better have a good look at some of these things. These are only two that I have found. I will bet that there are dozens in there like them.

An hon. Member: How much will you bet?

Mr. Johnston (Bow River): I believe that I could go quite a long way, so far that the government would not be able to tell me if I was right or wrong. Seriously, though, I think the government should take a good look at these things and see whether much of this kind of waste could not be prevented.

Mr. McCleave: I hope this matter is not in as hot water as are the tar sands we have heard so much about. It has been going on for some time now. I should like to ask the minister whether he knows whether this administration or his own department has asked the railways to co-operate with McGill University on this type of research so that some wheels might be put under this new gas turbine when it is ready to go. In other words, has the university co-operated with the railways?

Mr. Comtois: There have been some contacts between the university, the railway companies and our department about that matter. That is all I can say right now.

Mr. Muir (Cape Breton North and Victoria): I have been very much interested in this matter also. If it has been a flop, as the hon. member for "lukewarm" said, I am sure we cannot blame the Minister of Mines and Technical Surveys. But I think the hon. member for Inverness-Richmond made a very good point. We from coal mining areas have been greatly interested in this project. The question arises: is it a flop? How far have we gone on it? Would it be possible that the minister could table a complete and comprehensive report and bring the house right up to date on the matter?

Mr. Comtois: Yes. I will look into it and see whether there is something that can be done in that way.

Mr. MacEachen: I want to make it clear that I realize that this has been an experiment and that, like all experiments, its outcome is uncertain. Last year, in 1956, we had in the house a discussion on this particular experiment. At that time we were informed that the technical difficulties were in connection with the combustion chamber and the heat exchanger and that Professor Mordell was working on those two particular difficulties. I am not worried that there should be difficulties. What I want to know is this. Have the difficulties become so great from the technical point of view or the experimental point of view that Professor Mordell has now advised the department that it is not worth while to continue with this experiment?

Mr. Comtois: No. We have never received such a report from Professor Mordell.

The Chairman: Shall the item carry?

Mr. MacEachen: May I just ask the minister this question? I understand the minister to have said that it is not the intention of his department to ask for funds for the next fiscal year for this particular experiment. Is that right?

Mr. Comtois: Yes.

Mr. MacEachen: If that is so, if Professor Mordell still feels that this is a useful experiment, why do we not go ahead and experiment with it until we have convinced those who are working on the project that this matter is not a fruitful outlet for the coal production in Nova Scotia?

Mr. Comtois: I should say that the report on the conference is under preparation. It is quite an extensive report and a very scientific one. After that it must be considered, and the conclusion must be studied again so that Professor Mordell should be in a position to recommend and to contact our department so that some additional funds may be voted or acquired in order to make further experiments.

Mr. MacEachen: May I just make one further comment to this effect. Some years ago when the actual turbine or engine was in operation at McGill or at Macdonald College the previous minister of mines and technical surveys arranged for those members from coal areas to visit the scene of the experiment and to discuss the matter with Professor Mordell. I wonder whether, at some time in the course of this session, the minister could arrange a similar visit to the site of the experiment so that the members of parliament who are really interested in the coal industry might convince themselves as to what course might be followed in this matter so that it will not be abandoned because of lack of interest or lack of knowledge on the part of members of parliament.

Mr. Comtois: Certainly. I shall be very pleased if such a visit can be arranged; and may I say that I will be the first one to take advantage of it.

Mr. Fisher: I should like to ask the minister a question in connection with research on the utilization of coal. Is anything being done or planned in terms of research on the Kopista system that has been successfully carried to some length in Russia, that is the use of low-grade coal deposits through the driving of shafts, the burning underground and the utilization up above, by some sort of distillation process, of the heat and the gases.

Mr. Comtois: We are following up these developments but we do not make any research ourselves.

Mr. Winch: I want to ask the minister this question. Is there any difference between the answer given now and the answer I received in 1954 to the same question?

Mr. Comtois: I was not here then.

Item agreed to.

Geographical branch—

233. Geographical branch—administration, operation and maintenance, including a grant of $250 to the Canadian association of geographers, $284,580.

Mr. Herridge: On this item which provides for the administration of the geographical branch I just want to rise to bring to the attention of the house the excellent work done by a voluntary organization in Canada in this field. I refer to an organization that was known up until recently as the Canadian Geographical Society but which lately has acquired the right to be known as the Royal Canadian Geographical Society. In view of the history of this organization, its publications and the work it has done, for the information of the house I think it would be worth while just to quote the item in this connection from the November issue of the society's magazine It reads as follows:

The Royal Canadian Geographical Society

Her Majesty the Queen has been graciously pleased to confer the title of "Royal" on the Canadian Geographical Society. This is a mark of appreciation prefixed to the title of those organizations selected by Her Majesty that are deemed worthy to receive such an honour.

At a special general meeting of the society, held on Friday, 4 October 1957, under the chairmanship of the president, Major-General H. A. Young, a resolution was passed unanimously by the members approving the necessary by-law to change the name of the society to "The Royal Canadian Geographical Society", and application to the Secretary of State for supplementary letters patent to effect this change has been duly made, in accordance with the provisions of the society's by-laws and the requirements of the Companies Act. This was granted as of 4 October 1957.

E. S. Martindale
Honorary Secretary

I mention that because I think it is something of importance in the life of this society which is functioning to the advantage of geographical knowledge and has done so for a good many years. The society publishes a monthly magazine and also provides funds for certain explorations and things of that sort and, on occasion, for lecturers and information on certain subjects.

I bring this to the attention of the members of this house because I think they should do what they can to support this very worthwhile organization to which they can belong for an annual fee of $5.

Item agreed to.

Dominion observatory, Ottawa and field stations—

234. Administration, operation and maintenance, including membership fee of $500 to the international astronomical union, a grant of $3,500 to the Royal Astronomical Society of Canada and a grant of $5,000 to the international union of geodesy and geophysics to assist in defraying the cost of the eleventh general assembly of the union to be held in Canada in 1957, $588,560.

Mr. Herridge: Excuse me jumping up again but these are two items upon which I would like to speak briefly. With respect to this item on dominion observatories I would like to say a word because I think it is appropriate at this point to make a few remarks in connection with the subject of time, that is time in a legal sense and not in the sense in which it is used by some of my colleagues.

In recent years we in the provinces have instituted daylight saving time and in peacetime the regulations concerning this time, as I understand it, come under the jurisdiction of the provincial governments. It is only under war conditions that the federal government has jurisdiction in that respect. I think we in Canada are a most illogical people; we have daylight saving time established in British Columbia during certain months and during somewhat different months in Alberta and in other provinces no daylight saving at all. Now I think that is a lot of nonsense.

Some hon. Members: Hear, hear.

Mr. Herridge: I think we should get a dominionwide understanding on this subject if we are to use daylight saving. It would be much easier for the railroads, the bus companies and all transportation services, not to mention all Canadians in general. I would like to ask the minister if he would consider having this matter brought to the attention of the coming dominion-provincial conference with a view to seeing if we cannot act with a little more common sense and arrange this matter for our better convenience as a result of agreement between the federal and provincial governments.

Mr. Comtois: Yes, Mr. Chairman, I will do my best, if there is time for such a proposition.

Mr. Irwin: I would like to ask the minister if he could prevail upon the provincial governments to leave the clock alone and allow us to utilize time in the normally established tradition. In my opinion this business of trying, when you live in Vancouver for instance, to adjust yourself to one time in accordance with the way they run the boats and another in accordance with the way they run the trains and so on, is very difficult. I think people should be allowed to use time in the normal way with respect to when they get up in the morning and go to bed at night and we would be far ahead of the game if we could just leave the clock alone.

Mr. Herridge: Well let us use it as a nation, whichever way we do it, and not as a province.

Item agreed to.

General—

237. To provide for purchases of air photography and the expenses of the interdepartmental committee on air surveys, including purchases of equipment, $1,500,000.

Mr. Peters: Will the minister give some consideration to seeing that regulations with respect to the E.G.M.A.A. payments are worded so that the payments are made for the betterment of the communities of workers rather than the way it is done now. Some of these find their way into dividends rather than serving the needs which E.G.M.A.A. was originally set up to serve with respect to the communities and the people who live in them.

Mr. Comtois: I will take this matter into consideration.

Mr. Peters: Would the minister also consider this matter on the international level and the possibility of actively participating in the negotiations for an increase in the price of gold in conjunction with the representatives from similar departments in Australia, New Zealand and South Africa when this matter is being discussed? E.G.M.A.A. to a large extent is only a stop-gap and I think the general feeling is that there should be some active participation in these negotiations which should be taken on an international level. Will the minister give assurance that this department will do something in this regard, particularly as we have found in recent years that the government has not even been represented when such talks have taken place.

Mr. Comtois: Mr. Chairman, I am ready to co-operate but this is a matter which concerns the Minister of Finance.

Mr. Marler: I would just like to ask a question of the minister as to whether there has been any change of policy with regard to the purchase of aerial photography, because I understand the policy followed in the past has provided for certain work to be carried out in each year by what I might describe as a pre-arrangement with the aviation companies. At times, however, these companies have themselves undertaken aerial surveys at their own risk in the hope that if the work was well done and the funds were available the department would purchase it. Has there been any change in policy with regard to the acquisition of such aerial surveys or is work being carried out on much the same lines?

Mr. Comtois: No, Mr. Chairman, there has been no change in policy.

Mr. Marler: Is the minister now in a position to know approximately the results of this year's operations? After all, we have come to the end of the summer season and I would think they would have some idea as to whether the amount we are dealing with now will be sufficient for the year's operations.

Mr. Comtois: The total work done has been higher than we expected; we have made

arrangements with the treasury board so that the balance can be settled to the satisfaction of the contractors.

Mr. Marler: Do I understand, Mr. Chairman, that the total amount of the photography would exceed the amount of this estimate and that some further provision would have to be made later in the year for the additional work?

Mr. Comtois: In next year's estimates?

Mr. Marler: In next year's estimates.

Mr. Comtois: Yes.

Mr. Thomas (Middlesex West): Mr. Chairman, I would like to ask a question along the same lines. Would the minister inform us if we use the facilities of our air force to do any of this work or do we depend entirely on hiring commercial aircraft companies?

Mr. Comtois: Mr. Chairman, we are now entirely dependant upon private industry for this photographic survey work.

Mr. Thomas (Middlesex West): Then may I ask if consideration has been given to the use of the air force, or what is the reasoning behind this policy?

Mr. Comtois: Until 1953 most of the work was done by the air force. Since that time we had to provide this service by some other means.

Mr. Martin (Timmins): As the minister mentioned a moment ago there is a very close link with regard to this emergency gold mining assistance between his department and the Department of Finance. I think I can go further and say that the Department of Labour is also closely related to this matter. As a result of this, Mr. Chairman, I do not know whether this is the appropriate place at which to discuss this matter, or whether there will be a more appropriate place on some other estimate. If it is in order I should like to bring up the matter now. The minister is well aware of what is involved. I have been trying for almost four months to arrange a meeting between the three departments concerned with the Emergency Gold Mining Assistance Act and the United Steel Workers of America who represent the gold miners in the gold mining areas of northern Ontario. I fully realize that a new government taking over—

The Acting Chairman (Mr. Rea): May I say to the hon. member that I do not think what he is discussing now comes under item 237. We passed the other one on the emergency gold mining assistance.

An hon. Member: This is item 237.

[Mr. Comtois.]

The Acting Chairman (Mr. Rea): Yes, I said we passed the one on emergency gold. This concerns air photography; it is to provide for purchases of air photography and the expenses of the interdepartmental committee on air surveys, including purchases of equipment. That has nothing to do with the price of gold or the emergency gold measure, so I contend that the hon. member is out of order on this item.

Mr. Regier: On that point of order, Mr. Chairman, the Emergency Gold Mining Assistance Act is listed, and this is the first item under that.

Mr. Brooks: Since a point of order has been raised on this, you will note, Mr. Chairman, that that item is statutory and does not have to be voted at all. The sum is provided under the Emergency Gold Mining Assistance Act.

Mr. McIlraith: It is a statutory item.

The Acting Chairman (Mr. Rea): Yes, as the minister has pointed out, that is a statutory item and has nothing to do with item 237 which we are discussing.

Mr. Martin (Timmins): Could I find out when this matter may be discussed?

The Acting Chairman (Mr. Rea): On the first item, the item covering departmental administration. That was item 213. That was when it should have been discussed.

Mr. MacEwan: I have a short question to direct to the minister. Are these surveys for services in Canada let out to commercial companies on a tender basis or not?

Mr. Comtois: Yes, Mr. Chairman, on a tender basis.

Mr. Fisher: If private companies are carrying out surveys is the equipment held in this interdepartmental pool or is it leased out to the aircraft companies?

Mr. Comtois: All the equipment belongs to the companies.

Mr. Fisher: The minister says the equipment all belongs to the companies. What, then, do these purchases of equipment signify?

Mr. Comtois: This is for research and survey purposes in our own department.

Mr. Martin (Timmins): Mr. Chairman, I was wondering if I might have the permission of the committee to revert for a moment to item 213.

The Acting Chairman (Mr. Rea): Has the hon. gentleman leave to revert to the first item; departmental administration?

Some hon. Members: No.

The Acting Chairman (Mr. Rea): I am sorry, it is not agreed.

Item agreed to.

Dominion coal board—

238. Administration and investigations of the dominion coal board, $120,475.

Mr. MacEachen: Mr. Chairman, the committee will recall that when the estimates of this department were introduced the minister requested that the discussion of the coal industry be conducted under the items relating to the dominion coal board rather than under the first item. It is for that reason that those of us who are speaking on the coal industry will make general remarks on the items now before us.

I wish first of all to congratulate the new minister on the portfolio he now holds. He is aware that he holds a portfolio in one of the most important departments in so far as the province of Nova Scotia is concerned. The dominion coal board estimates have been used in the past by hon. members from the coal mining areas as an occasion to discuss conditions in the industry, to place problems before the committee and to enlist support for the measures that are necessary to sustain this industry.

I must say, Mr. Chairman, I regret that the ninth annual report of the dominion coal board which has been tabled has not yet been made available in printed form. This report usually provides a wealth of information and facts and a distillation of trends in the industry which must be studied if suggestions are to be made to promote. The ninth annual report has, however, been tabled, and it is a very useful document indeed, and the coal board is to be congratulated on the very successful way in which it has analysed the problems of the industry. I must say, Mr. Chairman, that this industry is causing concern, and has been causing concern, to the people of Nova Scotia, and I think any person who has examined conditions in the industry recently has greater cause for concern than ever.

This concern arises because the industry is a shrinking source of employment. The decline in the number of people employed in the coal mines of Nova Scotia during the past year is alarming. The Minister of Labour made some figures available with regard to this matter and the reduction in employment in the three main coal fields in Nova Scotia through the period September 1956 to September 1957 surprised even me, though I realized there had been a sharp decline. The number on the pay rolls in the coal mines of Nova Scotia in September, 1956 was 10,061; the number on the payroll in September of this year was 9,045, a reduction of 1,016. That is a very serious reduction because it represents a reduction of 10 per cent of the working force in a single year. The reduction in employment in the main coal fields is as follows: 226 in the Cape Breton area coal fields, 367 in the Pictou coal field and 423 in the Springhill area coal fields. As I said, this rate of reduction in the number on the payroll is frightening and if continued would in a single decade wipe out the mining industry in the province of Nova Scotia.

It is not a matter of coincidence that of the four towns in Canada declared to be areas of labour surplus by the Minister of Labour on October 31 in this house two of these centres are located in the coal producing areas of Nova Scotia. In reply to a question asked by the hon. member for New Westminster the Minister of Labour, as reported at page 598 of *Hansard* of October 31, said in part as follows:

> 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.

It can be seen that the declaration of the Minister of Labour is not a matter of coincidence because it reflects the trend already outlined in the reduction of the number employed in the coal areas of Nova Scotia. Furthermore the trend in coal output reflects as well the declining employment opportunities. I understand that from the years 1950 to 1956 there has been a decrease in the coal production in the province of Nova Scotia of more than 700,000 tons. I think the figures placed on the record just recently by the hon. member for Bow River show that in the first six months of 1957 there has been a reduction of about 180,000 tons in the coal production of the province of Alberta over the first six months of 1956.

Paralleling the decrease in employment in the mines of Nova Scotia and the drop in production has been an increasing demand for coal for industrial purposes and an enormous relative increase in the importation of United States coal. The hon. member for Bow River put a table on *Hansard* that will be found at page 1123 showing the fact that in 1956 Canada imported more than 22 million tons of United States coal for consumption in Ontario and Quebec. The dominion coal

board makes the same point on page 6 of its tabled report, as follows:

The production of Canadian coal mines in 1956-57 amounting to 14.3 million tons, showed a decrease of 819,000 tons from the total for 1955-56. The loss was incurred mostly by the Alberta and British Columbia fields, but was also shared to an appreciable extent by those of Nova Scotia. Imports of bituminous coal for the comparative period were up 2.9 million tons but the importation of anthracite continued to decline.

The dominion coal board clearly underlines the fact that while the production of coal in Canada declined the general demand for coal increased and these demands were met in the period I have mentioned by the importation into Canada of almost three million additional tons of United States bituminous coal. How perplexing and frustrating it is to coal miners in Nova Scotia facing difficulties in their source of livelihood to observe these increasing demands for coal met from United States sources. Nova Scotia sells little if any coal in the province of Ontario and in any event has sold no coal in that area since 1950. We sell an increasing percentage of our output, however, in the province of Quebec, amounting in 1956 to 40.2 per cent of the total sale of Nova Scotia coal. Notwithstanding its supplies from Nova Scotia, however, the province of Quebec satisfies 58 per cent of its requirements from the United States. The fact that we are able at all to supply this market in Quebec is the result of the subvention policy that has been in existence in this country since 1928. The subvention policy has been our indispensable and successful weapon against the further encroachment of United States coal.

Mr. Knowles (Winnipeg North Centre): Five o'clock.

Resolutions adopted in committee of supply this day reported and concurred in.

PRIVATE BILLS

OTTAWA AND NEW YORK RAILWAY COMPANY

Mr. G. J. McIlraith (Ottawa West) moved the second reading of Bill No. 30, an act respecting the Ottawa and New York Railway Company.

He said: Mr. Speaker, the purpose of the bill is to dissolve the Ottawa and New York Railway Company. This company is a wholly owned subsidiary of the New York Central Railroad Company. It was incorporated in 1882 and its act of incorporation was amended from time to time until 1898. The company owns the right of way known as the New York Central Railway line from Cornwall to Ottawa. That railway line was operated by the New York Central Railroad Company, and in 1952 the operating company discontinued the passenger service on the line.

In January of 1957 the board of transport commissioners for Canada authorized the abandonment of the line and the line has now been removed and there is in existence only the right of way. The right of way has been sold to the Canadian National Railway Company.

In addition to the railway line, the company owned a bridge at or very close to Cornwall known as the Roosevelt bridge. That bridge, as will be recalled by hon. members, carried vehicular traffic as well as railroad traffic. The removal of the bridge became necessary by virtue of the development of the St. Lawrence seaway and in accordance with the requirements of the St. Lawrence seaway authority. That meant that the railway line lost its connecting link with the New York Central system in the United States.

All outstanding accounts owing by the company have been paid but so that there will be no possibility of any unknown accounts appearing and no assets available to provide for them, the bill provides that the parent company, the New York Central Railroad Company, is liable for all claims, debts, causes of action and so on of the company. I do not know that there is much more I can usefully add by way of explanation of the bill, but if there is anything that hon. members think should be dealt with I will be very glad to answer if I can in closing the debate. If I am not able to do so, I would suggest that the information could be obtained from the officials of the company when they appear before the committee. I assume that the bill will be referred to the standing committee on railways, canals and telegraph lines in the usual way.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

RIO DE JANEIRO TRAMWAY, LIGHT AND POWER COMPANY, LIMITED

Mr. M. D. Morton (Davenport) moved the second reading of Bill No. 31, respecting the Rio de Janeiro Tramway, Light and Power Company, Limited.

He said: Mr. Speaker, may I, by way of introduction to the four bills with which I am concerned, make the preliminary statement that these bills concern the Brazilian Traction, Light and Power Company Limited and three of its subsidiaries, namely, the Rio de Janeiro Tramway, Light and Power Company Limited, the Sao Paulo Electric Company Limited and the Brazilian Hydro

Electric Company Limited. Briefly, the purpose of the first three bills is to transfer the head offices of the subsidiaries from Canada to Brazil. This is brought about by the difficulty of public financing in Brazil without becoming Brazilian companies, and it is the purpose of these bills to transfer the head offices so that these companies may take advantage of Brazilian regulations to become Brazilian companies.

May I state that representatives of the company will be present before the standing committee to answer any questions for which I may not have the answer today. Perhaps I should, as a matter of record, make a few preliminary observations. The Brazilian Traction, Light and Power Company is a Canadian company incorporated by letters patent dated July 12, 1912 under the Companies Act of Canada and has its head office in the city of Toronto, Ontario. The company, through its subsidiaries, operates companies engaged in furnishing electric power, telephone, gas and tramway services in the United States of Brazil.

The company's investment in Brazil is in excess of $900 million, this amount being represented by its investment in the shares and obligations of its subsidiary operating companies. The subsidiary operating companies are corporations which were incorporated in various jurisdictions, including Canada, Ontario, England and Belgium. Since the end of world war II Brazil, like our own country, has had a tremendous period of development and the Brazilian Traction, Light and Power Company is making every effort to keep pace and to facilitate Brazil's development through carrying on an extensive program to meet the various demands for light, transportation, telephones, etc. But it is having difficulty in financing to the extent that it finds, in order to take advantage of obtaining local financing in Brazil, it must become a Brazilian company.

In 1953 two of the subsidiaries of this company transferred their head offices to Brazil. One was a dominion company and the other was a company incorporated under the laws of the province of Ontario. The reason that they would like to use the legal fiction of remaining a person and of maintaining their present capacity as a company and not forming a new company in Brazil is to overcome the cost that might be incurred by reason of the various transfer taxes that would be applied against them in Brazil. It also avoids the tremendous time-consuming and costly task of evaluating the assets of each subsidiary which would be required under Brazilian law. It also avoids the necessity of transfers and the assumption by a new company of the obligations and liabilities of the present company. It also avoids the necessity of having to transfer the concessions, a difficult and complex problem due to the number of concessions involved which would affect various governments in Brazil. The present method will make the task easier.

As I said before, the first step in the implementation of this policy was in December, 1953 when the Brazilian Telephone Company, one of the principal subsidiary operating companies of Brazilian Traction, Light and Power Company Limited, applied to the parliament of Canada for a private act authorizing the transfer of its head office to Brazil. The application of this company was favourably considered by parliament and an act entitled "An act respecting Brazilian Telephone Company", being chapter 74 of the Statutes of Canada, 1953-54, 2-3 Elizabeth II, was then passed. The practical solution of the matter is based on the fact that article 71 of the Brazilian corporation law, decree-law No. 2627 of September 29, 1940, states:

> A foreign corporation authorized to carry on business in Brazil may be nationalized, subject to authorization of the federal government, by transferring its head office to Brazil.

It is also based on the legal theory set out in our law and covered by the Bonanza Creek Gold Mining Company case, cited as 1916, No. 1 appeal cases, at 566 and also cited as 85 L.J. P.C. 114, where a company has the capacity to apply for and accept a decree under the Brazilian corporation law, under which it would adopt Brazilian nationality. It is also considered on the basis of Mr. Justice Duff's remarks in the case of The Canadian Bank of Commerce versus Cudworth Rural Telephone Company, 1923 Supreme Court Reports, page 618, where it was stated that it was necessary to obtain a special act of the parliament of Canada to provide authority to transfer the head office out of Canada.

With this background, therefore, I should like to present first of all Bill No. 31 which concerns the Rio de Janeiro Tramway, Light and Power Company Limited, which company was incorporated in 1904 under the Companies Act of Canada, 1902. The two acts respecting the company were passed by the parliament of Canada, first in 1904 by which the name of the company was changed and its objects expanded to contain authorization to carry on a street railway business, and the second act in 1906 by which the company was authorized to issue bearer share warrants and to guarantee certain kinds of

obligations of companies subsidiary to or controlled by it. The authorized capital of the company is $50 million divided into 50,000 shares of the par value of $100 each.

The company is engaged in the business of generating and distributing electric power in the state of Rio de Janeiro and in the federal district, which includes the city of Rio de Janeiro, and in the operation of a street railway service in the federal district. It is also engaged in the manufacture and distribution of gas for domestic and commercial purposes through a subsidiary company in Rio de Janeiro.

Mr. L. T. Stick (Trinity-Conception): I have no objection to this bill but there are one or two things upon which I should like to be enlightened. I understand that this company, the Rio de Janeiro Tramway, Light and Power Company Limited, is really a subsidiary of Brazilian Traction, Light and Power Company. As outlined by the hon. member for Davenport (Mr. Morton), this company has $50 million in shares of $100 par value each. Are those shares going to be issued to the Canadian public? What provision is going to be made by this company to pay these shareholders in Canada any dividends that may be earned in Brazil?

In recent years we have had the spectacle of companies in Brazil that have earned money but, by reason of a restriction by the Brazilian government, cannot get Canadian dollars to pay to the shareholders. If these shares are going to be offered to the Canadian public I think the public should be fully aware that this company is now becoming a Brazilian company and they may have some difficulty in getting Brazilian money converted into Canadian dollars to pay their dividends. I have nothing against the company and this may be a genuine corporation. Perhaps the officials of the company would be able to take up this matter and satisfy the committee when this bill comes before the committee on miscellaneous private bills.

Mr. Speaker: Order, if the hon. member speaks now he will close the debate.

Mr. M. D. Morton (Davenport): Mr. Speaker, if the answers I give are not satisfactory to the hon. member I hope he will press the matter in the committee stage. It is my understanding that the parent company is practically the sole owner, through its shares, of the subsidiary companies which are being transferred to Brazil. The parent company, the Brazilian Traction Company, is still remaining a Canadian company and under Canadian laws. Their shareholders will remain the same. The head offices of the subsidiary companies, not the parent company, will be transferred to Brazil and they will operate in Brazil as Brazilian companies. Their further financing will be by the issue of bonds or debentures, whatever they might be, to the Brazilian public and not the Canadian public. That is one of the reasons they are transferring, in order that they might take advantage of financing in Brazil which they cannot do by remaining a Canadian company. I do not think that the security in respect of the assets of the company are in any—I was going to say any greater peril—different position than they are today because the physical assets of the company are in Brazil and they will remain in Brazil.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

SAO PAULO ELECTRIC COMPANY, LIMITED

Mr. M. D. Morton (Davenport) moved the second reading of Bill No. 32, an act respecting Sao Paulo Electric Company, Limited.

He said: Mr. Speaker, if I might add to the general remarks I have made concerning the other company, the fact is that the Sao Paulo Electric Company Limited is a wholly owned subsidiary of Brazilian Traction, Light and Power Company Limited, and was incorporated under the Companies Act of Canada in 1908 under the name of the Brazilian Electric, Steel and Smelting Company Limited, which name was changed to the Sao Paulo Electric Company Limited by supplementary letters patent issued to the company in 1911. The authorized capital of the company is $10 million divided into 100,000 shares of par value of $100 each, of which 60,950 shares are issued and outstanding. All are owned by Brazilian Traction, Light and Power Company Limited.

Mr. L. T. Stick (Trinity-Conception): I take it the remarks the hon. member made to the other question I asked him apply to this company as they did to the other one?

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

BRAZILIAN HYDRO ELECTRIC COMPANY, LIMITED

Mr. M. D. Morton (Davenport) moved the second reading of Bill No. 33, respecting Brazilian Hydro Electric Company, Limited.

He said: Mr. Speaker, the Brazilian Hydro Electric Company, Limited is a wholly-owned subsidiary of Brazilian Traction, Light and Power Company, Limited and was incorporated under the Companies Act of Canada in 1922. The authorized capital of the company is $5 million, divided into 50,000 shares of par value of $100 each, 100,000 of

which are issued and outstanding, all owned by Brazilian Traction, Light and Power Company, Limited. This company is in the same position as the other one.

Mr. L. T. Stick (Trinity-Conception): I understand that the same condition applies to this company as to the other two companies.

Mr. Morton: Yes.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

BRAZILIAN TRACTION, LIGHT AND POWER COMPANY, LIMITED

Mr. M. D. Morton (Davenport) moved the second reading of Bill No. 34, respecting Brazilian Traction, Light and Power Company, Limited.

He said: Mr. Speaker, briefly the purpose of this bill is to enable the Brazilian Traction, Light and Power Company, Limited, the parent company of the companies of which we have been talking, to come under the regular provisions of the Companies Act and not to be limited in its number of directors as it presently is.

I might say that the Brazilian Traction, Light and Power Company, Limited was incorporated in 1912 under the Companies Act of 1906. Section 76 of that act at that time limited the maximum number of directors of the companies under it to 15. In 1914 the company obtained a special act of the parliament of Canada, being chapter 131 of the statutes of 1914 entitled "An Act respecting Brazilian Traction, Light and Power Company, Limited" which reads in part as follows:

> 5. Notwithstanding the provisions of section 76 of the Companies Act, the company may, by by-law in the manner provided in the said section, increase the number of its directors to not more than twenty.

The purpose of that section was to permit the company to have more directors than was at that time permitted under the Companies Act. Then in 1918 the limitation on the maximum number of directors was removed from the Companies Act and since that time the Companies Act has not contained any limitation on the maximum number of directors. However, the company still remains or continues under the handicap or limitation of this section that was passed in 1914. In order to overcome this limitation and to bring it under the Companies Act the same as any other company, we are asking that the section which I have read, namely section 5, be withdrawn so that the company then will not be limited in the number of its directors and could only change its number of directors in accordance with the act as it is now set out under section 87 of the dominion Companies Act.

Mr. Claude Richardson (St. Lawrence-St. George): Mr. Speaker, if the hon. member has the information readily available, I wonder whether he would let the house know whether the greater number of the shareholders of the holding company, the company referred to in this bill, are residents of Canada and whether the greater number of shares are owned by residents of Canada.

Mr. Morton: I am afraid I have not that information readily available but that information could be made available at the committee stage for the hon. gentleman.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

JOSEPH ALFRED VICTOR TASSE

Mr. C. E. Rea (Spadina) moved the second reading of Bill No. 36, for the relief of Joseph Alfred Victor Tasse.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, before this bill is given second reading it seems to me that we should have a few words about it from the sponsor, the hon. member for Trinity. I notice that he has been given the honour, or whatever he chooses to call it, of being the sponsor of divorce bills at this session. On today's order paper there are 64 that are attributed to him.

Mr. Pickersgill: The hon. member for Trinity?

Mr. Knowles (Winnipeg North Centre): Did I say "the hon. member for Trinity"?

Mr. Pickersgill: Yes.

Mr. Knowles (Winnipeg North Centre): I am sorry. I should have said the hon. member for Spadina (Mr. Rea). In any case I was looking at the right member.

From the very fact that the hon. member for Spadina is sponsoring all of these bills, I would take it that that is not of his own choice but rather that this task has been assigned to him; and I think it is a fair assumption that the assignment was made by someone speaking for the government. On that basis it seems to me that we should be told whether the new government has any ideas as to how these divorce bills are going to be handled. I believe we should be told whether the practice of the last number of years is to be continued of having them put through parliament in the usual way, taking up the time of both houses and, I would say,

offending what is referred to in the speech from the throne as the dignity of parliament, or whether some other method is to be found and proposed to parliament by the new government.

It is not necessary for me to indicate what we in this group think about this procedure. It is well known that we do not think this should be the business of parliament. We have suggested a concrete alternative which we think gets the business of divorce out of parliament without putting divorce courts in the provinces where they are not wanted. We are prepared to make our proposal again but we have deliberately withheld making any proposal at this session until there has been some word from the government as to their intention. I recognize that the hon. member for Spadina is not a member of the government. But because he has been assigned this task apparently by the government I think that he should tell us what the plans are. I ask that question in relation to the case that is now before us not because I have any interest in or even knowledge about this particular case but because it is the first one the second reading of which has been called.

Mr. Rea: Mr. Speaker, I think perhaps the hon. member for Vancouver North—

An hon. Member: The hon. member for Winnipeg North Centre.

Mr. Rea: I mean the hon. member for Winnipeg North Centre. He made a mistake in respect of my constituency.

Mr. Knowles (Winnipeg North Centre): We are equal now.

Mr. Speaker: I should inform the house that if the hon. member for Spadina speaks now he will close the debate.

Mr. Knowles (Winnipeg North Centre): On this bill.

Mr. Speaker: Yes, on this bill.

Mr. R. J. McCleave (Halifax): Mr. Speaker, before the hon. member for Spadina speaks may I say just a few words. I have read the evidence in the Tasse case. Without going into it now, I was going to ask the sponsor whether this evidence has been brought to the attention of the Minister of Justice (Mr. Fulton) because it involves what seems to me to be a very serious offence of fraud on behalf of the wife.

Mr. C. E. Rea (Spadina): Mr. Speaker, the duty of the chairman of the standing committee on miscellaneous private bills is generally to sponsor divorce bills. The hon. member for Winnipeg North Centre (Mr. Knowles) asked whether there was going to be anything different in the procedure this year from the procedure that has been followed over the past years. Of course, as he mentioned and as he knows, I am not a member of the government and I do not know of any procedure that will be different from the procedures that have been used in years past. This is a right, apparently, which certain people have, that is to come to this government to try to straighten out their grievances. Therefore I can only say to you, sir, that I know of nothing which will be different this year compared with what has been going on in the past.

[Mr. Knowles (Winnipeg North Centre).]

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

Mr. Knowles: On division.

Motion agreed to on division, bill read the second time and referred to the standing committee on miscellaneous private bills.

SECOND READINGS—SENATE BILLS

Mr. Rea: May I have the approval of the house to take, en bloc, the bills referred to in items 33 to 67 inclusive and 69 to 96 inclusive.

Mr. Speaker: Is the house unanimously agreed to the adoption of the procedure suggested, namely that the second readings of the bills now be taken in the one motion.

Mr. W. H. A. Thomas (Middlesex West): There is an act here respecting Mexico Tramways Company, Mr. Speaker—

Mr. Speaker: The proposal was to include everything with the exception of Bill 73 as I understood it. That is the only bill other than divorce bills standing on the order paper.

Mr. E. L. Morris (Halifax): On a question of privilege, Mr. Speaker, as a new member I have read back through the debates in the years during which the late Mr. Woodsworth was leader of the party represented in this debate by the hon. member for Winnipeg North Centre (Mr. Knowles). I have also consulted the standing orders but am unable to find, and would appreciate your direction now, as to how I should record my vote as being in opposition to this procedure?

Mr. Speaker: I understood that the house had agreed to the procedure of taking all these bills together and the hon. member is now raising the question as to how he may record his vote against the bills.

Mr. Morris: That is correct sir.

Mr. Knowles (Winnipeg North Centre): I understood he wished to record his opposition to the procedure, which could be something different than opposition to the bills.

Mr. Morris: I did say on a question of procedure and I regret that. What I wish to do is to record my opposition to the bills.

Mr. Speaker: Well then the hon. member will have an opportunity when the motion is put to register his opposition to all the bills in the one motion. Is it agreed then that we have the consent of the house that Bills Nos. 37 to 71 and 74 to 101 inclusive be now read a second time?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, with reference to this motion, perhaps I might say a word or two on behalf of this group. We feel very strongly that some procedure other than the one we now follow should be found by which to handle these bills. Nevertheless this is one field in which we are prepared to give the government a little time to consider the matter and for this reason we did not insist that all these bills be called individually on second reading.

We reserve our right however, in the committee on miscellaneous private bills and at the further stages in this house, to ask that these bills be dealt with separately if we feel such a course is indicated. For example, there are cases such as the one which has already been referred to by the taller member for Halifax (Mr. McCleave) where we feel these bills should perhaps be singled out for further consideration by the house.

There are two matters at stake here; one is the question of each individual bill and whether or not it should be passed; the other is the question of this whole procedure. We think parliament should not take much longer before finding a way to deal with this matter which does not offend against the dignity of parliament as, in our opinion, does the present practice.

Mr. Thomas (Middlesex West): Mr. Speaker, I understood you to say this procedure was with respect to Bills Nos. 37 to 71 and again from Bill No. 74 to Bill 96—

An hon. Member: No, no.

Mr. Speaker: To Bill 101.

Mr. Thomas (Middlesex West): Then, Mr. Speaker, was it the intention to exempt Bills Nos. 72 and 73?

Mr. Speaker: No. Bill No. 73 is the only bill intended to be excluded from the motion and that is item 68 on the order paper. There does not appear to be a Bill No. 72 on the order paper.

Mr. Thomas (Middlesex West): Oh, I am sorry sir.

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

Mr. Pierre Gauthier (Portneuf): I would like to speak sir with respect to this subject. In previous sessions, as the house knows, we have opposed divorce and during the last session most of the members from Quebec refrained from casting a vote on this question because we knew that the hon. member for Winnipeg North Centre (Mr. Knowles) would move bills to try and convince the house and the then government, as he is trying to convince the present government, to send these divorce cases to the exchequer court. Am I right?

Mr. Knowles (Winnipeg North Centre): That is right. The exchequer court, sitting here in Ottawa.

Mr. Gauthier (Portneuf): Here in Ottawa. Now if this court sits in Ottawa it means that a court of divorce would be imposed upon Quebec and Newfoundland which we do not want. We will therefore oppose that measure if another bill comes before the house because we oppose any court of divorce in Quebec, and I think the same applies in Newfoundland.

Mr. Knowles (Winnipeg North Centre): The hon. member has one right now and he is a member of it, this House of Commons.

Mr. Gauthier (Portneuf): Pardon me?

Mr. Knowles (Winnipeg North Centre): I say the hon. member has a divorce court right now and he is a member of it, this House of Commons.

Mr. Gauthier (Portneuf): Yes, but it has been accepted by parliament, I believe, in the previous years that this procedure could be dealt with by parliament. The hon. gentleman now wants to change that procedure and we feel that, in this change, he is trying to impose upon Quebec and Newfoundland a court of divorce which we do not want. For that reason we are opposed to changing the existing procedure and as I say, we are firmly opposed to divorce in my province.

Mr. Daniel McIvor (Fort William): I am not so much concerned, Mr. Speaker, with the procedure but I have heard nothing in this house in the years during which I have been here to indicate that anybody was concerned about a cure for divorce itself. The cause of divorce is selfishness and the use of strong drink and until we get such a cure—which really is the absolute surrender to the Prince of Peace—we are going to have divorce and we are going to have trouble with it. This is the breaking up of home life and the

Christian home is the bulwark of the nation which is what we have to fight for.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I am sure we all agree with the hon. member for Fort William. Nevertheless, that does not dispose of the situation, because if there were just one case of divorce coming from certain provinces in this country there would be no way in which that one divorce could be granted except in accordance with the manner now followed.

I do not know how to handle this thing, either, Mr. Speaker. I have given a lot of thought to it over the years. On occasions I have joined my voice with some in the C.C.F. group requesting that consideration be given to some other form of proceeding with these divorces, a form which would avoid bringing them before parliament but, frankly, I do not know of any other way in which it can be done while preserving the civil rights of the provinces of this country. That is the conclusion I am reaching.

I know it is nauseating, sometimes, for us to get piles and piles of evidence so exhaustive that we can never read it all, and yet have to pass bills on a limited understanding of them. In my experience I have had to deal, in a way, with matters of this kind. I have been brought in and asked to deal with various types of domestic problems; I have watched while cases were being heard in the courts of the land, and I will say this: I doubt very much whether the criticism which has sometimes been levelled at those who hear the evidence and make recommendations in another place is altogether warranted. I must confess that I, myself, have sometimes levelled mild criticism in that direction, but having a little experience, as I said, in hearing some cases tried in some of the courts of the country, and having heard some cases presented before the committee of the other place, I am going to suggest that the cases heard by the committee of the senate are just as thoroughly heard as they are by any other court.

These committees are regularly constituted and when the committee has to divide itself into sub-committees I am confident that they choose able men to act as chairman of those sub-committees, usually lawyers of some repute, and I am quite certain that they are as able as some I have known who have been appointed judges. The committee does its best possible work. Much as we may dislike the method which we have to follow, and much as we may dislike divorce, the problem still faces us, and it seems to me to be almost insurmountable. It is difficult to see how this could be dealt with in any other way.

I object just as much as anyone to the necessity for this procedure but at the same time the question has to be dealt with and it appears to me that it will be dealt with in the way it is now for a long time to come.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question? In view of what he has said about the satisfactory way in which he says the senate committee deals with these cases, would he be inclined to recommend that they should deal with these cases finally, in which case they would not have to come to us?

Mr. Hansell: If my hon. friend means that that committee should constitute a kind of judicial court or court of record, call it what you like, I would be quite willing that that should happen, because my own view is that the method of being heard by the senate and then the case coming here is something that is unnecessary, although there have been times when the odd, individual case has been reheard by the private bills committee and rejected even though the senate had recommended it.

But perhaps that could be remedied too; perhaps there could be provision for an appeal if one or other of the parties involved did not think he or she had received a fair hearing. But I should be quite willing to have an arrangement of the kind suggested by the hon. member, if that could be done. However, I doubt very much whether it could.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I do not intend to take very long in speaking on this matter at this particular time, though, like the hon. member for Winnipeg North Centre (Mr. Knowles), I reserve my right to say more, possibly at a later date this session.

I fail to appreciate, once again, how we, elected as legislators, can be expected to act as adjudicators of our own legislation. I think that is an absolutely wrong course of action. Some hon. members may feel that they are not participating in a divorce court, but I contend that they are by the very fact that they are members of the House of Commons and have the right to pass a vote on these acts.

I regret that I fail to appreciate the thought which was expressed that we in the C.C.F. group want to force the divorce court upon anybody. I want to see that fair play exists, and that justice is done to these people, and we feel that when a group of legislators suddenly switches, at five o'clock into a group of judges, the fair deal to which these people are entitled cannot possibly be given them.

I regret very much that I have not the same confidence in the judicial capacity of the

members of the other place as a few hon. members have expressed. I have often had the feeling that no member of the other place above even the age of 60 ought to have the right even to sit in on one of these cases.

I am going to close my remarks this afternoon by hoping that the sponsor, who is acting in a responsible position, has at least read all the bills.

Mr. Stick: How old are you?

Mr. Regier: I would also express the hope that all members of this house have looked carefully over the list of names because whether they know it or not it is technically possible for their own names to appear here and for this house to grant a divorce without their being aware that they are voting on their own cases.

Mr. C. E. Rea (Spadina) moved the second readings of the following bills:

Bill No. 37, for the relief of Claudine Yvette Felicite Cavallero Neely.—Mr. Rea.

Bill No. 38, for the relief of Evelyn Thelma Passineau Uyeda.—Mr. Rea.

Bill No. 39, for the relief of Ronald Victor Turner.—Mr. Rea.

Bill No. 40, for the relief of Charles Frederick Church.—Mr. Rea.

Bill No. 41, for the relief of Sarah Sally Abramovici Schor.—Mr. Rea.

Bill No. 42, for the relief of Eunice Kennedy Standeven.—Mr. Rea.

Bill No. 43, for the relief of Kathleen Louise Blaylock Hall Dunning.—Mr. Rea.

Bill No. 44, for the relief of Mary Hilbert Madge.—Mr. Rea.

Bill No. 45, for the relief of Marthe Helene Le Bel Champion.—Mr. Rea.

Bill No. 46, for the relief of Elizabeth Dermer Boyd.—Mr. Rea.

Bill No. 47, for the relief of Clarice Mendell Uditsky.—Mr. Rea.

Bill No. 48, for the relief of Dorothy Elizabeth Allen Bellenger.—Mr. Rea.

Bill No. 49, for the relief of Mildred Weiner Gordon.—Mr. Rea.

Bill No. 50, for the relief of Theresa Mary Moran Redmond Cooke.—Mr. Rea.

Bill No. 51, for the relief of Siegmund Paul Fritz Matthes.—Mr. Rea.

Bill No. 52, for the relief of Lillian Boyce Suttner.—Mr. Rea.

Bill No. 53, for the relief of Helen May Verner Joyce.—Mr. Rea.

Bill No. 54, for the relief of Lila Redmond McCorriston.—Mr. Rea.

Bill No. 55, for the relief of Phyllis Freda Sabbath Isaacson.—Mr. Rea.

Private Bills

Bill No. 56, for the relief of Marguerite Lavoie Jolin.—Mr. Rea.

Bill No. 57, for the relief of Margaret Lillian Mackenzie Smallwood.—Mr. Rea.

Bill No. 58, for the relief of Edith Elizabeth Altherr Thompson.—Mr. Rea.

Bill No. 59, for the relief of Jean Marc Marceau.—Mr. Rea.

Bill No. 60, for the relief of Moe Boxerman.—Mr. Rea.

Bill No. 61, for the relief of Marilyn Joan O'Bryan Watson.—Mr. Rea.

Bill No. 62, for the relief of Irene Elsa Rubin Cohen.—Mr. Rea.

Bill No. 63, for the relief of Sally Baker Golding Rohrlich.—Mr. Rea.

Bill No. 64, for the relief of Jerzy Dzynaw.—Mr. Rea.

Bill No. 65, for the relief of Pauline Mechanik Winterfeld.—Mr. Rea.

Bill No. 66, for the relief of Gennie Loza Jarvis.—Mr. Rea.

Bill No. 67, for the relief of James Keith.—Mr. Rea.

Bill No. 68, for the relief of Michal Rybikowski.—Mr. Rea.

Bill No. 69, for the relief of Beverley Joan Abbott Reid.—Mr. Rea.

Bill No. 70, for the relief of Mark Astman.—Mr. Rea.

Bill No. 71, for the relief of Karl Schubert.—Mr. Rea.

Bill No. 74, for the relief of Norma Liebovitch Ryer.—Mr. Rea.

Bill No. 75, for the relief of Manola Mainville Lefebvre.—Mr. Rea.

Bill No. 76, for the relief of Anne Marie Fontaine Brien.—Mr. Rea.

Bill No. 77, for the relief of Joyce Hahn Maiste.—Mr. Rea.

Bill No. 78, for the relief of Joseph Fabien Marcel Perras.—Mr. Rea.

Bill No. 79, for the relief of Elizabeth Geroux Touchette.—Mr. Rea.

Bill No. 80, for the relief of Conrad Donat Joseph Bouffard.—Mr. Rea.

Bill No. 81, for the relief of Claire Lenoff Schecter.—Mr. Rea.

Bill No. 82, for the relief of Gun Elsa-Maria Stridh Zukrowski.—Mr. Rea.

Bill No. 83, for the relief of Dorothy Maureen Allan Cybuliak.—Mr. Rea.

Bill No. 84, for the relief of Lita Eleanor Ciceri Desrochers.—Mr. Rea.

Bill No. 85, for the relief of Gwendoline Georgina Adelaide McNamee Phillips.—Mr. Rea.

Private Bills

Bill No. 86, for the relief of Robert James Beakes—Mr. Rea.

Bill No. 87, for the relief of Elizabeth Ann Vedder Chadwick—Mr. Rea.

Bill No. 88, for the relief of Osbourne Denzil St. Martin.—Mr. Rea.

Bill No. 89, for the relief of Elizabeth Janet Davidson Blacklock.—Mr. Rea.

Bill No. 90, for the relief of Mary Isabel Bristow Livingston.—Mr. Rea.

Bill No. 91, for the relief of Zelda King Neuss.—Mr. Rea.

Bill No. 92, for the relief of Lena Therese Dean Lauzon.—Mr. Rea.

Bill No. 93, for the relief of Sydney Wagner.—Mr. Rea.

Bill No. 94, for the relief of Margaret Williams Mullins.—Mr. Rea.

Bill No. 95, for the relief of Donald Ernest Lamont.—Mr. Rea.

Bill No. 96, for the relief of Margo Jean Thornton Savard.—Mr. Rea.

Bill No. 97, for the relief of Marie Reina Pauline Duquette Cottier.—Mr. Rea.

Bill No. 98, for the relief of Molly Gloria Goldman Mencher.—Mr. Rea.

Bill No. 99, for the relief of Marie Marguerite Eugenie Lucie Prevost Dorfman.—Mr. Rea.

Bill No. 100, for the relief of Florence Hewitt Scribner Hartt.—Mr. Rea.

Bill No. 101, for the relief of Mona Areta Emsley Forbes.—Mr. Rea.

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

Mr. Knowles (Winnipeg North Centre): On division.

Motion agreed to on division, bills read the second time and referred to the standing committee on miscellaneous private bills.

MEXICO TRAMWAYS COMPANY

Mr. Percy Vivian (Durham) moved the second reading of Bill No. 73, an act respecting Mexico Tramways Company.

He said: Mr. Speaker, in the few minutes which remain before six o'clock I think I can very briefly explain the essence of this bill. There is a considerable printed explanation which I think can be compressed into these facts. This company was incorporated in 1906 and then wished to take on additional functions including the operation of a tramway in Mexico. At that time a company incorporated under the Companies Act was not permitted to do so without a special act and enabling legislation was enacted by this house. Subsequently this company went out of the tramway business in Mexico. It no longer wishes to pursue this endeavour and it is now asking that chapter 125 be revoked so that it may effect a return to what it wishes to be, an investment company, retaining the name Mexico Tramways Company but coming under the Companies Act under which in due time the name of this company will be changed.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

BUSINESS OF THE HOUSE

Mr. Green: Mr. Speaker, Monday will be private members' day and an arrangement has been reached between the parties under which on Tuesday we will move to go into supply and we will discuss exclusively external affairs. If there should be a vote it is agreed that it will take place at ten o'clock rather than at 8.15 as provided under the rules.

Mr. Stick: Mr. Speaker, do I understand we are limiting the debate on external affairs to one day?

Mr. Green: Yes, Mr. Speaker, it has been agreed that one day would be allotted for that purpose. Mind you, the estimates will then be referred to the standing committee on external affairs as has been customary for some years.

Mr. Knowles (Winnipeg North Centre): Is the minister in a position to indicate what government business it is intended to bring forward on government days next week? Will it be supply or will it be legislation?

Mr. Green: I am not in a position to say for sure but I believe arrangements have been made or are in process of being made for Wednesday to put through in all stages the bill amending the Unemployment Insurance Act and probably we would then go on with estimates. Thursday is to be a private members' day and on Friday we would take either estimates or legislation. I am not certain at the moment which it will be.

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:

C.B.C.—T.V. SATELLITE TRANSMITTERS

Question No. 143—**Mr. Fisher:**

1. What are the various types of T.V. satellite transmitters contemplated by the C.B.C.?
2. What are the relative costs of these types of transmitters?
3. What is the estimated capital cost of structures to house transmitters?
4. Are any of the contemplated transmitters to be of the unmanned, automatic type?
5. Is it necessary for the contemplated transmitters to work from a microwave relay set-up?
6. Has the C.B.C. any cost figures for the long-range television beaming type of transmission under development by Canadian Westinghouse?
7. Under present regulations could a private T.V. station charge a fee for the use of its VHF signal in a retransmission by a UHF set operated by (i) the C.B.C.; (ii) a private operator?
8. Has the C.B.C. any record of any successful American T.V. retransmitters of the unmanned type?

Answer by: **Hon. G. C. Nowlan (Minister of National Revenue):**

The Canadian Broadcasting Corporation advises:

1. The C.B.C. has contemplated the possibility of establishing true "satellite" stations which would pick up and rebroadcast programs originating from a "mother" station. The C.B.C. has also contemplated the possibility of establishing relay stations which would be fed through microwave network; or others which might be supplied by means of television recordings and film.

2. The true "satellite" station tends to be the cheapest type; a relay station operating from the microwave network, the next most expensive; and the station programmed by television recordings and film, the most expensive; but the cost of all depending on power, location and antenna.

3. From about $15,000 up, depending on power and location.

4. Any true satellite stations or stations working from the microwave network would probably be unmanned.

5. See answer to No. 1.

6. No.

7. Under present regulations a television station would have to agree to rebroadcasting of its programs by a satellite station. The matter of a charge is not covered by any regulations. The C.B.C. has not so far contemplated the possibility of its establishing satellite stations which would pick up from private stations.

8. Yes.

96698—93

BRIDGE CONSTRUCTION, MAINLAND-HOWE ISLAND

Question No. 169—**Mr. Henderson:**

Has the government of Canada given approval to build and will the contract be let for the construction of a bridge from the mainland to Howe island, over the St. Lawrence river in the vicinity of Kingston, Ontario, before November 1, 1958?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

The answer to the above question is "No".

DEFENCE CONSTRUCTION, N.B.

Question No. 179—**Mr. McWilliam:**

1. Have plans been made by the government for any construction work at the Chatham, New Brunswick, Royal Canadian Air Force station; the St. Margarets, New Brunswick, radar station and the naval ammunition depot at Renous, New Brunswick?
2. If so, what are the details of such work?

Answer by: **Hon. G. R. Pearkes (Minister of National Defence):**

1. Yes.

2. Projects presently under construction:

	Per cent complete
R.C.A.F. station Chatham	
Pave runway overshoot	99
Grading, seeding and sodding	99
Water reservoir (200,000 gals)	85
125 permanent married quarters	99
R.C.A.F. station St. Margarets	
Administration building, medical inspection room, single quarters, fire hall, guard house and utilities	95
107 permanent married quarters	99
School	99
Sewage lift, force main and extension to sewage plant	75
Security fencing	99

Note—Since the estimated expenditures on future construction will be included in the departmental estimates which have not yet been presented or approved, it is not possible at this time to detail plans of such construction.

CANADIAN FARM LOAN ACT, OKANAGAN BOUNDARY

Question No. 181—**Mr. Christian:**

During each of the years 1955, 1956 and 1957, in respect to the federal constituency of Okanagan Boundary area:

1. How many applications for loans have been made under the Canadian Farm Loan Act?
2. What was the average amount of such loans?
3. How many loan applications were approved?
4. How many loan applications were refused?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1, 2, 3 and 4. The Canadian farm loan board does not maintain records respecting

applications and loans by federal constituencies as it does not require to do so for administrative purposes and the information requested is therefore not available.

FARM IMPROVEMENT LOANS, SASK.

Question No. 193—**Mr. Ellis:**

1. How many loans made under the Farm Improvement Loans Act are in arrears in the province of Saskatchewan?
2. In how many of these cases have seizure been made in order to satisfy the amount of the indebtedness?
3. In how many cases after a sale has been completed is the farmer still faced with payment under the personal covenant?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. 15,723 as at August 31.

2. Seizures with respect to outstanding loans are made by the chartered banks and the figures are not of government record.

3. 289 since inception of the act.

CAUSEWAY CONSTRUCTION, VERDUN-NUNS' ISLAND

Question No. 194—**Mr. Leduc (Verdun):**

1. Has the government 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?
2. Is the matter still under study?
3. Is there likelihood of inconvenience and danger to the residents of the city of Verdun and vicinity, by way of flooding and pollution of waters, if the proposed causeway is built?
4. If so, to what extent?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Yes.

2. The corporation has not yet submitted a revised project for approval.

3. Yes, there is likelihood of additional flooding and pollution of water, if the causeway were built as proposed.

4. The matter has not been given full consideration by this department.

EXPORT CREDITS INSURANCE ACT

Question No. 207—**Mr. Benidickson:**

1. How many policies of insurance, under section 21 of the Export Credits Insurance Act, were executed during 1956, and from January 1, 1957 to date?
2. What was the estimated value of the export volume under such policies in both periods?
3. What was the maximum liability of the Export Credits Insurance Corporation or the crown thereunder?
4. To how many countries were such exports destined?
5. To how many individual exporters were such polices issued?
6. How many policies were in respect of exports in estimated volume: (a) under $100,000; (b) between $100,001 and $500,000; (c) between $500,001 and $1,000,000; (d) between $1,000,001 and $2,000,000; (e) between $2,000,001 and $5,000,000; (f) over $5,000,000?
7. By years including 1957 to date, since enactment of said section 21 how much money has been (a) claimed by policyholders; (b) paid to such policyholders insured under said section?
8. By years, including 1957 to date, how many bushels of wheat have been exported insured under the provisions of said section 21?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. 1956, 25; January 1, 1957 to October 31, 1957, 19.

2. 1956, $46,827,442; January 1, 1957 to October 31, 1957, $104,890,136.

3. 1956, $36,499,527; January 1, 1957 to October 31, 1957, $47,711,696.

4. 5 countries.

5. 10 exporters.

6. (a) 2; (b) 6; (c) 26; (d) 1; (e) 4; (f) 5.

7. (a) nil; (b) nil.

8.

1952	5,476,796
1953	1,063,905
1954	12,624,857
1955	3,156,624
1956	24,100,658
1957 (to October 31)	10,268,290
	56,691,130

VOCATIONAL TRAINING—BURSARY GRANTS TO STUDENTS

Question No. 208—**Mr. Benidickson:**

1. By means of the student aid plan under the Vocational Training Co-ordination Act, by provinces, how many (a) university students; (b) nurses in training, have been granted bursaries during 1956-57 and 1955-56 fiscal years?
2. What is the maximum amount that may be so granted within a year (a) to university students; (b) to nurses in training in accordance with federal regulations?
3. Are regulations of the province of Ontario respecting maximum amounts the same? If not, what are the respective maximum amounts payable under Ontario regulations?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1 (a) During 1955-56, 2,011 university students were financially assisted; during 1956-57, 2,380 university students were assisted; (b) In 1955-56, 121 nurses in training were assisted; in 1956-57, 99 nurses in training were assisted.

Nurses in training are assisted under the Vocational Training Co-ordination Act only in the four western provinces.

2. For the purpose of contribution under the federal-provincial agreements, the maximum amount granted per annum under any such agreement to university students is

$600.00 and the maximum amount granted to nurses in training is $200.00.

In practice different maximum grants are established in each province and submitted to the Minister of Labour for approval for the purposes of contribution under the federal-provincial agreement.

3. The maximum amounts payable for the purposes of the federal-provincial agreement to university students in Ontario is $400.00 to non-residents and $200.00 to residents.

Residents in this case refers to students residing in the community in which the university is located.

[The following items were passed in committee of supply]:

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

A—Department—

Administration services—

213. Departmental administration, $530,620.

214. Explosives Act—administration, operation and maintenance, $113,100.

215. Mineral resources division—administration, operation and maintenance, $217,595.

Surveys and mapping branch—

216. Surveys and mapping branch administration, $69,106.

217. Geodetic survey of Canada—administration, operation and mintenance, $577,258.

218. International boundary commission, $62,748.

Topographical surveys, including expenses of the Canadian board on geographical names—

219. Administration, operation and maintenance, $1,661,991.

220. Construction or acquisition of equipment, $122,000.

Canadian hydrographic service—

221. Administration, operation and maintenance, including Canada's annual contribution of $4,125 to the international hydrographic bureau, $3,395,513.

222. Construction or acquisition of buildings, works, land and equipment, $210,225.

223. Legal surveys and aeronautical charts, including a grant of $500 to the Canadian institute of surveying and photogrammetry, $689,686.

224. Provincial and territorial boundary surveys, $52,300.

Map compilation and reproduction—

225. Administration, operation and maintenance, $1,066,271.

226. Construction or acquisition of equipment, $92,300.

Geological survey of Canada—

Geological surveys—

227. Administration, operation and maintenance, including the expenses of the national advisory committee on research in the geological sciences, an amount of $1,875 for Canada's share of the cost of the committee on mineral resources and geology, London, England, and an amount of $40,000 for grants in aid of geological research in Canadian universities, $2,454,067.

228. Construction or acquisition of equipment, $122,500.

Mines branch—

229. Mines branch administration, $123,514.

Mineral resources investigations—

230. Administration, operation and maintenance, including a grant of $22,500 to the Canadian institute of mining and metallurgy to assist in defraying the cost of the sixth empire mining and metallurgical congress to be held in Canada in 1957, $2,780,073.

231. Construction or acquisition of equipment, $241,475.

232. To provide for payments to McGill University in connection with the development of a coal-fired gas turbine, $25,000.

Geographical branch—

233. Geographical branch—administration, operation and maintenance, including a grant of $250 to the Canadian association of geographers, $284,580.

Dominion observatories—

Dominion observatory, Ottawa and field stations—

234. Administration, operation and maintenance, including membership fee of $500 to the international astronomical union, a grant of $3,500 to the Royal Astronomical Society of Canada and a grant of $5,000 to the international union of geodesy and geophysics to assist in defraying the cost of the eleventh general assembly of the union to be held in Canada in 1957, $588,560.

235. Construction or acquisition of buildings, works, land and equipment, $96,000.

236. Dominion astrophysical observatory, Victoria, B.C., $147,557.

General—

237. To provide for purchases of air photography and the expenses of the interdepartmental committee on air surveys, including purchases of equipment, $1,500,000.

HOUSE OF COMMONS

Monday, November 25, 1957

The house met at 2.30 p.m.

SPORTS

WINNIPEG BLUE BOMBERS—HAMILTON TIGER CATS—CONGRATULATIONS ON WINNING FOOTBALL TITLES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. My question of privilege relates, as it should, to something that happened in this house. On November 14, as reported at page 1126 of *Hansard*, the parliamentary assistant to the Minister of National Defence (Mr. Lambert), who is also the member for Edmonton West, prophesied that there would be coming east in a few weeks a fierce horde of Eskimos whom he described as bigger, faster and hungrier than ever. I suppose, since the hon. member has had to eat his words, my point of privilege should be regarded as satisfied. Seriously, however, may I join with the Secretary of State (Mrs. Fairclough), the hon. member for Hamilton South (Mr. McDonald) and others in congratulating the Hamilton Tiger Cats upon what they did on Saturday. May I say also that we from Winnipeg are very proud of the Winnipeg Blue Bombers.

BUSINESS OF THE HOUSE

WEDNESDAY EVENING SITTINGS ON AND AFTER NOVEMBER 27

Hon. Howard C. Green (for the Prime Minister) moved:

That, on Wednesday, November 27 next, and on every Wednesday thereafter until the end of the session, in addition to the sittings now provided for by standing orders the house shall also sit from eight to ten o'clock p.m.

Motion agreed to.

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

AMENDMENTS TO PROVIDE FOR CONVERSION OF CAPITAL STOCK COMPANIES INTO MUTUAL COMPANIES, ETC.

Hon. Howard C. Green (for the Minister of Finance) moved for leave to introduce Bill No. 169, to amend the Canadian and British Insurance Companies Act.

Mr. Knowles (Winnipeg North Centre): Will the minister explain the bill?

Mr. Richard A. Bell (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, the purpose of this bill is to authorize a procedure by which a life insurance company incorporated by parliament on a joint stock basis may be converted into a mutual company, and also to take some further steps to enable the control of Canadian life insurance companies to be retained in Canada.

Motion agreed to and bill read the first time.

INCOME TAX

AGREEMENT BETWEEN CANADA AND AUSTRALIA FOR THE AVOIDANCE OF DOUBLE TAXATION

Hon. Howard C. Green (for the Minister of Finance) moved for leave to introduce Bill No. 170, to implement an agreement between Canada and Australia for the avoidance of double taxation with respect to income tax.

Some hon. Members: Explain.

Mr. Richard A. Bell (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, the short title fully indicates the purpose of the bill. An agreement between the government of Canada and the government of the commonwealth of Australia for the avoidance of double taxation and the prevention of fiscal evasion with respect to income taxes was concluded at Mont Tremblant on October 1, 1957, and this bill is to give parliamentary ratification to this agreement. The agreement is similar in form to the agreements which Canada already has with the United Kingdom, New Zealand, the United States of America and a number of other countries.

Motion agreed to and bill read the first time.

UNEMPLOYMENT INSURANCE ACT

AMENDMENTS RESPECTING SEASONAL BENEFIT PERIODS, PAYMENTS, ETC.

Hon. Michael Starr (Minister of Labour) 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 Unemployment Insurance Act to increase

the length of seasonal benefit periods; to increase the number of benefit payments for which claimants may qualify during those periods; and to provide for other related matters.

Motion agreed to.

NORTHWEST TERRITORIES ACT

AMENDMENTS TO AUTHORIZE COMMISSIONER TO BORROW AND LEND MONEY, ETC.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources) 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 amend the Northwest Territories Act to authorize the commissioner of the territories to borrow money for territorial municipal or local purposes on behalf of the territories and to lend money for local purposes; and also to provide for the appointment and remuneration of deputy police magistrates.

Motion agreed to.

HAMILTON HARBOUR COMMISSIONERS

LEGISLATION TO AUTHORIZE LOANS FOR ADDITIONAL FACILITIES

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 bill to authorize the Minister of Finance to make loans to the Hamilton harbour commissioners, out of the consolidated revenue fund, not exceeding in the aggregate $4,000,000 for the purpose of constructing additional dockage and other facilities in the harbour.

Motion agreed to.

MOTIONS FOR PAPERS

P.F.A.A. INSPECTORS, MEADOW LAKE CONSTITUENCY

Motion No. 24—**Mr. Harrison:**

1. For a return showing the names and regular occupations of all persons employed as P.F.A.A. inspectors in the constituency of Meadow Lake, since August 1, 1957.
2. The names and occupations of those released from employment as P.F.A.A. inspectors in the constituency of Meadow Lake, since August 1, 1957.

Motion agreed to.

P.F.A.A. EMPLOYEES, ROSTHERN CONSTITUENCY

Motion No. 33—**Mr. Tucker:**

For a return showing the names of (a) P.F.A.A. inspectors; (b) other P.F.A.A. officials employed in Saskatchewan since August 1, 1957; (c) P.F.A.A. inspectors employed in Rosthern constituency since August 1, 1957.

Motion agreed to.

STEWART-CASSIAR ROAD, B.C.

Motion No. 35—**Mr. Howard:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and the government of the province of British Columbia, and other persons, companies and organizations, relating to the so-called Stewart-Cassiar road, dated at any time since January 1, 1954.

Hon. Howard C. Green (Minister of Public Works): This is acceptable, subject to the usual proviso that the consent of the government of British Columbia be obtained.

Mr. Speaker: Is it the pleasure of the house to adopt this motion, subject to the limitation mentioned?

Some hon. Members: Agreed.

Motion agreed to.

P.F.A.A. EMPLOYEES, MOOSE JAW-LAKE CENTRE CONSTITUENCY

Motion No. 36—**Mr. Lewry:**

For a return showing the names and regular occupations of: (a) all persons appointed as P.F.A.A. inspectors since September 1, 1957, in Moose Jaw-Lake Centre federal constituency; (b) all former P.F.A.A. inspectors re-employed since September 1, 1957, in Moose Jaw-Lake Centre federal constituency; (c) all those released from employment as P.F.A.A. inspectors since September 1, 1957, in Moose Jaw-Lake Centre federal constituency; (d) payments made to all P.F.A.A. inspectors in Moose Jaw-Lake Centre federal constituency since August 1, 1957.

Motion agreed to.

CO-OPERATIVE DE TELEPHONE DE ST. PHILIBERT DE BEAUCE

Motion No. 38—**Mr. Poulin:**

For a copy of all correspondence, telegrams or other documents exchanged between the Department of Transport and the co-operative de telephone de St. Philibert de Beauce, or any person representing the organization, during the years 1954, 1955 and 1956, with respect to an application for a grant, made by the said organization.

Motion agreed to.

HOUSE OF COMMONS

PROPOSED COMMITTEE TO STUDY SYSTEM OF SIMULTANEOUS TRANSLATION

Mr. Maurice Breton (Joliette-L'Assomption-Montcalm) moved:

That, in the opinion of this house, the government should take into consideration the advisability of setting up a special committee of parliament for the purpose of considering the establishment of a system of simultaneous translation, in the official language which is not that used by the member then speaking, for all debates in the House of Commons and in all parliamentary committees.

He said: Mr. Speaker, the motion I have the honour to present today, seconded by

the hon. member for Portneuf (Mr. Gauthier), appeared on the order paper last session and is back again.

As a member of the house for many years I have realized how difficult it is for French speaking members to take part efficiently in the English debates. When I was at the United Nations in 1955 I found that their system of simultaneous translation in five languages was very impressive, and I felt it should be adopted here to meet the needs of both English and French speaking members.

Indeed, it is much easier from a technical point of view to translate in two languages than to translate in five, and I see no reason why we should not act immediately to realize such a project.

At the last session I inquired among my colleagues in this house for their opinion, and found that the majority of them were in favour of a project of simultaneous translation. I have said on a number of previous occasions that with nearly one-third of the members of this house being French speaking members it is normal that such a request should be granted. I also said that if we the French members were in the majority I am sure our English speaking colleagues would have insisted long ago on having this reform. May I say that the well-known reputation for fair play of which the British people are so proud is in my mind the best reason for believing that this house will unanimously grant this request.

In September, 1957, I wrote to the Postmaster General (Mr. Hamilton) regarding the system of simultaneous translation installed in this house last summer for the benefit of the delegates to the congress of the universal postal union. In reply to my inquiry the Postmaster General wrote:

> The most important point in connection with this matter is that since the House of Commons makes its own rules, I would imagine that before any system could be installed it would be necessary for the house itself to direct that it be done. Certainly, even though the system used for the universal postal union congress would not be satisfactory for permanent use, there would seem to be no technical difficulties involved in the matter.

I would also like to quote a paragraph from the speech from the throne, in which it is said:

> 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.

We know indeed that when they were in the opposition the members of the present government fought for the rights of parliament. I feel that the first step toward 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. I also know that simultaneous translation is widely used in bilingual meetings in Canada and elsewhere. The following is a report from the *Gazette* dated May 23, 1956:

> The junior chamber of commerce of Canada, embracing almost 25,000 members across Canada, today asked Commons Speaker Rene Beaudoin to instal a simultaneous translation system in the house. The chamber made its request in a brief presented to Mr. Beaudoin by a delegation headed by Ross Smyth of Montreal, national Jaycee president.

May I add, Mr. Speaker, that on the east side of the Ottawa river there are four million people who speak French and that a great majority of them are unable to follow the debates of the house when they come to visit us. We should readily admit that the present system of acoustics is far from being perfect. Many hon. members complain that it is very poor and request the privilege of personal earphones. This is a privilege now granted to only four members, and it has been refused in the past because earphones interfere with the general system of acoustics.

Maintained at great cost, the present system could be replaced with better hearing results by the provision of individual earphones. I should not say exactly replaced, but improved with a system of earphones such as exists in the United Nations. I understand that in the United Nations the speeches can be heard quite well because of the natural acoustics of the hall, but translations are heard by means of earphones.

The system we use here was installed at a cost of $33,529. The annual rental of the equipment amounts to $7,500. The operation and maintenance cost $20,000 annually. Therefore the annual cost is $27,500. The wiring was done by public works personnel themselves; therefore that cost is not readily available. Here are some figures I obtained from the United Nations on the cost of simultaneous translation.

Mr. Speaker: While the hon. member is looking for the figures could I ask the members of the house to moderate their conversations a bit. It seems to be difficult to hear this afternoon.

Mr. Breton: Thank you, Mr. Speaker.

In the system they use in the United Nations they have personal earphones, and the cost of their system would not be of great help to us if our system were not exactly the same, but a comparison shows that it would cost $30,000 to instal 275 microphones in this house. If the number of microphones were reduced to one per desk, that is to say one for every two members, the cost would be $21,000. If you added to that the cost of installation of microphones for every seat in the galleries—and we have 625 seats in the galleries—the cost per seat would be $15, or a total cost of $9,375.

As I have already said, it is very important that the public which speaks French should be able to hear the speeches in French or in English in the galleries. I believe it is very important, and it is one of the reasons I think the system should be installed.

I should now like to quote what was 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 think I referred to that a few moments ago. The purpose would be to have the proceedings of parliament available to each member in his own language.

May I add, also, Mr. Speaker, that the system could be improved upon in many ways. I believe, for instance, that the French edition of *Hansard* is published in too big a hurry. If we had a system of simultaneous translation I think no one would complain if the French edition of *Hansard* were published a day of two after the speech had been delivered, because the words of the speaker would have been available in both languages at the time the speech was delivered. The difficulty now is that the reporters and editors are forced to work at high speed, and I believe this is inconsistent with the exigencies of the French language.

After seven years of experimentation in the United Nations I believe the system has reached the necessary degree of perfection. I believe the installation of such a system would be viewed in all parts of Canada as a symbol of national unity by recognizing the fact that both French and English are the official languages. Then the people who come from Quebec could be understood in this house and could take a greater interest in the debates.

It has been said that sometimes the French people appear to be taking little interest in the debates, but I think the reason is the difficulty they experience in following them. The acoustics are not good and the pace of the discussion is too rapid. As I said a few moments ago I think the best argument is this, that the British people, who are so proud of their fair play, cannot longer delay granting this request which would add so much to national unity.

Hon. Ellen L. Fairclough (Secretary of State): Mr. Speaker, this suggestion which comes from the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton) is an interesting one. It is interesting not only to those members of this house whose official language is French, but it is interesting also to those of us who claim English as our first and basic language.

I should tell the hon. member that some consideration has already been given to this particular suggestion. As he said, shortly after the postal congress had completed its deliberations in this chamber he wrote to the Postmaster General (Mr. Hamilton), as a result of which consideration was given to the system which was in effect at that time. I am sure the Postmaster General would be glad to give a more complete report on that particular point.

There are many problems to be solved in considering such an installation, and there are several types of installations which, presumably, could be made in this chamber. The hon. member has given us, Mr. Speaker, the benefit of his own research into the cost of at least one type of installation which could be made. However, I should like to comment briefly to the effect that I personally do not believe any such installation would take the place of the existing public address system in this chamber. It would be ancillary to it. I do not believe, either, that it would ever take the place of the printed translation which, after all, is for the record. Despite the fact that it is true these translators work at top speed to produce the translations for the record, I do not believe the installation of any system would take the place of that service because it is a service that, in itself, is necessary to the business of this house. I should like to repeat that any such service, if installed, would not do away with any of the existing services but would merely supplement them.

There is not only the matter of the mechanics of installation but there is the cost of installation, and there is the staff which would be required to man this installation. I am presuming, Mr. Speaker, that the staff would come from the translation bureau. As hon. members of this house know, for several years now there has been a real effort on the part of the officers in the translation bureau to provide, not only for this house but for all the government requirements, a desirable system of translation which would

be uniform in vocabulary without regard to the type of document that was being translated. I think they have been very successful in that, so far as I can tell. Certainly it would be advisable to have the same system followed if the day comes when we are privileged to have a simultaneous translation service in this chamber.

I am told that while we have a number of expert translators, they are probably not trained in that particular field. In fact there are not too many people in Canada who are trained in the field of simultaneous translation. Existing translators could be trained, without too much difficulty, in a matter of 3 or 4 months to take on this service. Personally I think it would be advisable to train existing translators in the bureau rather than bring in new ones, and they in turn could be replaced by appointments to the existing staff of the translation bureau.

I think it would be well to inform the house and the hon. member who has spent so much time in exploring the possibilities of this service, that you, Your Honour, have taken an interest in it. I am assured by Mr. Speaker that he is quite ready to explore this whole matter on behalf of the house. If I might make a suggestion to my hon. friend, I believe if Mr. Speaker will do this for us the matter wil be expedited, whereas the appointment of a committee of the house to investigate it, with all due respect to members of the house, I fancy would occasion some delay because most of us are laymen in this field.

Mr. Breton: May I ask a question? I understand that this problem of simultaneous translation is a problem which the house should settle. I believe that members from the opposition side should be heard in this connection. I understand that Mr. Speaker, acting alone, perhaps could investigate this project, but the resolution before the house proposes the formation of a committee to investigate it.

Mrs. Fairclough: As the hon. member says, Mr. Speaker, it is a matter for this house to decide. There are several departments of government that would be involved in such a translation. Quite apart from deciding that there will be such a service, there is the question as to what type of service will be made available.

Early in his remarks the hon. member spoke of the excellent service which is available at the United Nations, where the proceedings of that assembly are translated simultaneously into five languages. When we were at the meetings in Paris of the NATO parliamentary association, we found a different type of service. It was something along the line of what is called a walkie-talkie. The sound was transmitted by radio to individual sets which the listeners carried. It was an extremely low power installation; as a matter of fact, if you carried your set out into the hallway you could not hear a thing. It had only sufficient power to be heard within the chamber itself.

These are all matters that would have to be considered, and most of them are of a highly technical nature. I suggest to my hon. friend in all seriousness that probably at least the preliminary investigation would be one for Mr. Speaker who is, after all, the representative of all of us in this house, of all parties. However, as he has said, it is a matter for the house to decide. My own opinion is that a more efficient way of handling the matter would be to leave it for the time being in the hands of Mr. Speaker.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, originally it had not been my intention to speak on this motion, but after listening to the mover I feel rather impelled to do so. I can understand very well the principle and the intent behind the expressions of the hon. gentleman who has moved the motion which is now before us.

In the House of Commons we are bilingual. In the House of Commons an hon. member may speak in English or in French. I think I am fairly safe in saying that almost all the 265 members, if not all, understand and can speak English. But this being a bilingual House of Commons it is understandable that French should be spoken here by right and by custom, and that those who desire to do so should feel rather badly when, speaking in the French language, they find that we unfortunately—perhaps because of our own lack of responsibility—do not understand or cannot immediately grasp their points and the import of their statements, and are obliged to wait for a period of 24 hours until we receive a translation.

From that point of view I can certainly understand the hon. member's outlook and his desire to have all members get, through simultaneous translation, what is being said at the time it is being said. However, Mr. Speaker, I am inclined to believe that in moving this motion the hon. member may be getting away from what he actually wants, namely a greater impression on English speaking people with regard to the learning and the usage of French. I can speak only as far as I personally am concerned, and I admit that I am one of those persons who know only one language, namely English, and perhaps even that not too well at times. However,

I have found it helpful listening to those hon. members who on occasion speak French, and trying to follow their speeches.

I think I am safe in saying, Mr. Speaker, that if you put in a system of simultaneous translation here you are going to make this house more mechanical and perhaps drive away that urge that some of us have to try to follow speeches made in French and in that way to learn, because then we would just pick up an earphone and get the translation.

In addition, Mr. Speaker, I believe there is something our French speaking colleagues should know, namely that you can lose a great deal of a speech by making it mechanical; an emotional and sentimental expression carries with it a great deal of effect. I honestly believe that even my friend the hon. member who is moving this motion would find that if you had a mechanical set-up whereby you could just pick up an earphone and listen to a translation, it would not be the same as listening to the direct speech. It can never be the same as getting it from the man who is speaking, with his emotion and his sentiment.

As I said, Mr. Speaker, I appreciate the reason why the hon. member has moved this motion, but with all due deference to him I should like to say that I am afraid he has not thought this through on the mechanical and the financial basis. I apologize to him for saying that, but this happens to be my trade. We have here an excellent system of loudspeakers. Just on my left over above the clock is a control whereby, as one speaks, certain of the loudspeakers are on full power, some on half power and others cut out. They are controlled by an automatic panel installation up in the corner even further on my left. All loudspeakers are tied in, both in the house and in the galleries. It would be possible to make a tie-in such as the hon. member suggests, but it would be a most expensive and technical service.

I think I can say this, although I have not had experience on this kind of system but have had experience on others having installed a couple of systems in B.C.

For $31,000, sir, you could not even touch the installation cost for the seats of the House of Commons. Moreover, to the best of my knowledge you could not tie in our present loudspeaker system without terrific expense. It would require a brand new installation,—a new three-line service to every desk. One of these would be a line for English, one would be for French and the third would be the common return wire; that is technical language. You could not do it with less than three lines separate and apart from the two lines on the present loudspeaker system. This means, as I say, a brand new installation on the desks, not only of three lines to each desk, but a break-up of three additional lines on each desk for the earphones of each member sitting at those desks.

As an electrician I can say that is correct. The cost of tearing up these floors and putting in such a system would be high, and in addition to the two operators now in charge of our system we would have to have for the House of Commons alone two interpreters and one operator for the new equipment.

This motion says "in the official language which is not that used by the member speaking, for all debates of the House of Commons and in all parliamentary committees". I repeat, "in all parliamentary committees". If my information is correct there are four official committee rooms in our House of Commons, so this would mean, not only an installation in the chamber itself, but also in the official committee room on the first floor, in the railway committee room on the main floor and to other rooms on other floors. I am not sure of the exact number of rooms, but it would mean a separate and complete installation in every committee room.

Moreover, as you know, Mr. Speaker, and as those members who have been here in past sessions also know, on numerous occasions the House of Commons will sit at the same time as all the committee rooms are being used by members of the official committees.

Mr. Breton: May I interrupt the hon. member. He will realize that the first requirement of the resolution is the formation of a committee to study the system of simultaneous translation, and it is only on the report of such a committee that the house would act. The main thing is the formation of the committee to study the matter.

Mr. Winch: Well, I am reading the resolution; I note the remark of the hon. member, but what is the committee going to study? The resolution says the subject will be the installation of a simultaneous translation system in the committee rooms. The hon. member gave a figure which I think is quite out of line and is, in fact, absolutely fantastic; because the installation in all these committee rooms and in the railway committee room, which I imagine has a seating capacity of around 150 to 200 persons, would mean, as I say, not only operators for each committee room but also two interpreters for each committee and also for the House of Commons itself. That makes a total requirement of ten interpreters and five operators at the very least, who must be on the job.

This is a matter which I think perhaps, although I understand what he has in mind, the hon. member has not completely thought through to its conclusion. I think I have perhaps outlined sufficient to explain why I rise to say a word with respect to the wording of the motion moved by the hon. member. The terrific cost would be nothing like $31,000; nor would it be $50,000 nor, in accordance with the principles concerned, would it be $500,000. It will run into a great deal more for installation alone, in addition to the cost of administration.

Outside of all these considerations, about which I felt I should speak to the house, I would like to make a suggestion to the hon. member, which is that basically he will not achieve what he is after in putting forward this motion. Let us not make this house a mechanical one; let us not make this house one where 265 members pick up ear phones. Could we not, even in view of our present difficulties, try to appreciate—even if we do not understand—the sentiments and the emotions of those who speak in a language which I personally do not understand? Backward as we may be, let us aim for a situation where we try to follow what they are saying and really endeavour to pick up their language.

Speaking personally, I regret that we who are English speaking have been so backward in learning French. I had never appreciated that until I came to Ottawa. I assure my hon. friend he will not attain that unification and understanding if he makes this house mechanical as he suggests, rather than maintaining the sentimental, emotional and cultural unity which I am certain is the spirit he would wish to see in this house. I am sure this wish would be shared by his fellow French speaking members.

(Translation):

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I was quite gratified to read the motion presented by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton), asking for the establishment of a system of simultaneous translation in this house. Though I dissociate myself from any preconceived views with regard to language, which some English-speaking members might attribute to me, I would like to stress how beneficial such a system would be to the proper administration of this country.

There are in this house quite a number of English-speaking members who do not understand French and also some French-speaking members who have a little knowledge of English, but who are unable to express themselves fluently in that language, like myself, for instance. There is also—because of our rather inefficient, and at times non-existent loudspeaker system—the difficulty of understanding a member from the other end of the house, as was the case just a moment ago when the hon. the Secretary of State (Mrs. Fairclough) was straining her ears to hear what an hon. member had to say. This is also the case for us, who are sitting in this corner of the house; we do not clearly understand those who speak from the other end of the chamber. Such innovation would greatly contribute to a better understanding between the two ethnical groups who form our nation, and would constitute a gesture of approval from the government with regard to the observance of bilingualism.

No wonder French Canadians do not seem interested in the important problems of western Canada, nor the English-speaking westerners in those of the east. I am thinking of the prairie wheat and of our mixed farming in the east.

According to press reports, two organizations have already submitted briefs to the government asking for such a system, i.e. the Cooperative Union of Canada, with Ralph Staples as president, and the *Conseil Canadien de la Coopération*, whose president is Mr. Leger, who lives in New Brunswick.

At its last congress in Victoria a no less important organization, the Canadian Chamber of Commerce, which has 750 branches across the country, tabled a resolution for the establishment of such a system. In its preambles and resolutions, the chamber of commerce called upon the federal government to establish a simultaneous translation system in the Canadian parliament, for the benefit of members, newspaper correspondents and visitors.

This right was granted to us by the B.N.A. Act which recognized the official use of both French and English, not only in the House of Commons but in all federal government services.

Simultaneous translation of debates both in the house and in the Senate would enable everyone in Canada to get a more realistic and general grasp of all the country's problems, and at the same time would create a genuinely Canadian outlook of unity and understanding.

Professor Marsh Jeanneret, director of publications at the University of Toronto, expressed the view that nobody could call himself 100 per cent Canadian if he were not able to understand both ethnical groups that make up this nation and to be understood by both those elements. We must not be satisfied with being 70 per cent citizens.

The views expressed by this teacher and by the organizations I have already mentioned prove that bilingualism is a necessity in Canada.

I am not like the hon. member for Vancouver East (Mr. Winch) a professional electrician, and I do not know on what his calculation establishing the cost of this system at $500,000 is based, but all I can say is that, even at this price, it would be beneficial to our country.

(Text):

Mr. Victor Quelch (Acadia): Mr. Speaker, I listened with interest to the speech made by the hon. member for Vancouver East (Mr. Winch), in which he pointed out that the cost of such an installation would be prohibitive and also that the cost of operation would be exceedingly heavy. I may say that when I first read the resolution that was my general reaction to the proposal. On the other hand, we are prepared to support the setting up of a committee for the purpose of considering the establishment of a system of simultaneous translation into the official language not being used by the hon. member who is speaking in the House of Commons. But then the resolution goes on, "and in all parliamentary committees".

We do not think it would be even wise to think of making this possible in the committee rooms, because that would undoubtedly be very expensive, as was pointed out by the hon. member for Vancouver East. The hon. member mentioned that the whole thing would become mechanical. I think most of us have been down to the United Nations, and I think we have been amazed by the success of simultaneous translation there. An expert has listened in and been able to repeat the speech in the other language with, in most cases, all the fire and zest of the original speaker. I was amazed at the amount of emphasis that could be put into a speech by someone who had to listen in and speak at the same time.

I believe in some cases the translator improved upon the language or upon the delivery of the original speaker, and I think the same might very easily be the case in this house. An hon. member listening to the speech in the other language and trying to understand it would still be able to listen to the original if he wished to do so; he need only take off his headphones and listen to the speaker in the original language. If, on the other hand, he wanted to get a thorough understanding of what was being said, he could put on the headphones and follow the translation.

I think this would tend to increase the interest taken in the debates by those hon. members who are not familiar with the particular language being used by an hon. member speaking in the house. It would certainly tend to improve debate and therefore, as I say, we are prepared to support the motion. After all, the motion only calls for a committee to investigate the matter. If after investigation the proposal is found to be completely infeasible it would, of course, be dropped.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, like the hon. member for Vancouver East I did not intend to speak on this motion, but his remarks have impelled me to say a few words. I wish to agree with the hon. member for Vancouver East, inasmuch as I feel that a mechanical installation in this chamber would detract from the speaking of the two languages.

I am one of the number of new members who have come to the house recently, and I should also like to say that I am one of the new members who have begun to take lessons in conversational French. I do feel that an installation such as has been proposed would probably tend to lessen the need for the conversational French we are learning. I should like to assure hon. members who speak French as their own language that there is quite a large group of hon. members on this side of the house, members whose own tongue is not French, who are now taking lessons in conversational French. I think not at this session, but probably at the next, they may hear quite a few efforts in weak but sincere French from hon. members on this side of the house.

I want to assure them that these lessons are now being taken because we are sincere in our wish to learn the French language. I believe the experience of listening to the French spoken in this chamber, attempting to follow it and attempting at some later date to use it ourselves in debates is valuable, and that it would be impaired if we had a mechanical installation in this chamber.

For that reason I think there is much to be said for the view expressed by the hon. member for Vancouver East. Our efforts here are the efforts of one group, one country. We are not a group of countries such as constitute the United Nations in whose discussions countries from all over the world take part. We are one country and one people. We should try, I believe, to speak together in this house and not to be divided by the mechanical means suggested.

(Translation):

Mr. Andre Gauthier (Lake St. John): Mr. Speaker, it gives me great pleasure and satisfaction to rise in support of the motion of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton) who asks the government

to set up a special parliamentary committee for the purpose of considering the establishment of a simultaneous translation system. An innovation such as this would certainly promote better understanding between the members of the house, and therefore between all Canadians.

I hope this proposal will be welcomed on both sides of the house, and I add that our English-speaking colleagues should be the first to endorse a project of nation-wide implications such as the one proposed in the motion now before us.

French-speaking members are probably partly responsible for the fact that so far the need was hardly felt for the installation of a simultaneous translation system. In fact, those of us who have a perfect command of English address the house mostly in English. I realize that they do so for the benefit of the unilingual majority and also for the sake of being better understood.

But the consequence of all this is that French, theoretically one of Canada's two official languages, has practically disappeared from the debates, and active participation in debates is confined solely to members who have a perfect command of English. True, all speakers have the privilege of expressing themselves in their own language, but all do not have the satisfaction of being understood.

Then, Mr. Speaker, simultaneous interpretation would be a notable improvement from the viewpoint of all visitors. All of them would feel more at home while listening to the debates in their mother tongue.

I do not propose to go into the cost of such an undertaking; it would, in any case, be very cheap, in the light of the vast improvement it would mean both for the members and for the cause of national unity.

I had the opportunity of seeing one system of simultaneous translation in operation in 1954, at United Nations headquarters. If a translation system is satisfactory where five languages are spoken, it would be all the more so in this house, where only two official languages are involved.

The Junior Chamber of Commerce of Canada, which has over 25,000 members and which, in the past, has more than once given evidence of its desire to further the cause of national unity, has adopted the simultaneous translation of its own debates and, in May 1956, through its chairman, Mr. Ross Smythe, asked the Speaker of the House of Commons to establish that system which has promoted a better understanding and such a beneficial rapprochement between the two major racial groups in Canada.

Mr. Speaker, as I do not want to delay any longer the passing of this resolution and also because no further arguments are needed in support of a measure which everybody approves, I shall conclude by expressing the wish that the request of my colleague, the hon. member for Joliette-L'Assomption-Montcalm, meet with unanimous assent. This would be one more step towards national unity.

(*Text*):

Mr. J. O. Gour (Russell): Mr. Speaker, it is a great pleasure for me to endorse the motion of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton), which presents members of this house with a great opportunity to fill a long-standing need for the installation of a simultaneous translation system. At the present time I am not in favour of extending this principle to every committee of the house, but I am much in favour of the idea of referring the matter to a committee for study, to determine how much it would cost to have such an installation made in the House of Commons.

I would have thought more of the English-speaking members would be in favour of this proposition because, after all, I think 95 per cent of the English-speaking members understand only English. Perhaps I need not point out to hon. members that I understand English far better than I speak it. Although I am not fluent in the language I understand it rather well. It is pleasant for us to speak in English because we try to be gentlemen in our behaviour toward our English speaking colleagues, and we trust that you will not pass too harsh judgment on those of us who attempt to speak in English. That is why I attempt to speak in English although I am not as fluent in the language as I might wish to be, but I do so in an attempt to be more agreeable and, if possible, more useful to my English speaking colleagues who do not understand French. I do not think, as was suggested by my friend the hon. member for Vancouver East (Mr. Winch), that English speaking members really prefer to listen to us speaking French—

Mr. Winch: I am sorry, sir, but all I can say is, "C'est pourquoi je n'apprends pas à parler le français."

Mr. Gour: If we preferred to listen to hon. members speaking in their mother tongues we could disregard the earphones and simply listen and observe the way they spoke. I congratulate the hon. member who spoke a few minutes before me who said he is trying to learn French. Congratulations to that hon. member and to all English speaking persons who attempt to learn to speak French.

I would point out that when I was a boy the nearest school was 15 miles away. I had

to work and sacrifice at 50 cents a day for a 12-hour day to give that money to mother and father in order that they could send me to high school to learn English. I have never stopped making every effort and sacrifice in my attempt to learn to speak English so I could better understand my English speaking colleagues.

Therefore I think that it would be well if the English speaking members in this house were to make about 20 per cent of the sacrifice in learning to speak French that French speaking members are making in an effort to learn English. If this were done all English speaking members would understand French better. I believe that everything possible should be done to maintain the equality of the two official languages of this country. I think the time will come when there will be more teaching done of English in the province of Quebec and of French in the province of Ontario and the other provinces, and I think the adoption by this house of a simultaneous translation system would do much to encourage and foster the development and preservation of the two official languages.

I was present at the postal congress and was happy that we were able to understand so well the various gentlemen who were speaking. Sometimes we could listen in French and sometimes in English, whichever we preferred.

I will not take any more of the time of the house, but will conclude by saying I think it would be a good thing to appoint a committee to make a thorough investigation of this question. I congratulate once again those English speaking people such as the hon. member to whom I referred who are trying to learn French. They will find it a nice language, and will grow to like it even better when they understand it. We can only be enriched through knowing the two official languages, and it is very pleasant and useful to be able to speak in the language of your friends. In this way you can draw closer together in spirit, understanding and friendship. That is all I have to say on the matter.

Mr. W. A. Tucker (Rosthern): Mr. Speaker, I would like to congratulate the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton) for bringing in this motion. The way I approach this matter as a person of English speaking origin is to try to look at it from the standpoint of those who are of French speaking origin. When many of them come into this house they speak French, of course, as their mother tongue but perhaps do not speak English very well. Before they can take their full part in the debates of this house they have to begin learning English.

If it were said to the English speaking members that before they could take their full and equal part in the proceedings of this house they had to learn to speak French, as the mover of this motion said we would take another good hard look at the situation.

In a sense what we are saying to our French speaking colleagues, if we oppose this, is that because you are good at learning another language, because you are willing to get down to business and learn English, we are quite prepared to carry on indefinitely because we can get by on that basis. What we are saying to many of our French speaking colleagues is that because we are not ready to take advantage of the modern development of simultaneous translation they cannot take an equal part in the proceedings of this house with English speaking members.

We all know very well, Mr. Speaker, that French speaking members have just as much of a contribution to make to thinking on national problems as the English speaking members; but we also know that unless they can speak English they will not get the ear of the house nearly to the same extent. Therefore they are faced with this dilemma, either not to speak at all and not make the contribution that we should be glad to have them make, or else speak in French. If they do this very often the thoughts they bring forward are not brought home to the whole house.

Members may look at them in translation the next day but sometimes, because they are very busy, they do not look at it; therefore it is not brought home to all the members of the house as it should be. We also know that if they speak in French there is a tendency for those who do not understand French to leave the house. They say, "We will see it in translation the next day".

Therefore there is a feeling on the part of the French speaking member who may be speaking in French that his English speaking colleagues are not interested in the contribution he is trying to make because so many of them go out. They go out because they feel that since they cannot understand they may as well go out and do something and read the translation later on. It seems to me, Mr. Speaker, that is not the way in which we should carry on the business of this house, now that we have this modern technical convenience at our disposal.

Anyone who has been at the United Nations will realize how infinitely greater the problem is there, where what is said has to be translated into four other languages instead of into one other language as here proposed. This comes to my mind also in

regard to what the hon. member for Vancouver East said. I support what the hon. member for Acadia said in that regard. I was greatly impressed when I attended the U.N. in 1947 when I first realized the extent to which the ministers of the western world were listening to the splendid interpretation being made of Mr. Vishinsky's speeches. It seemed to me they were getting pretty well all the feeling that he was putting forward in regard to the western world. It was a very important thing, I think, that people from other parts of the world could understand just how the soviet union did feel at that particular time. It was before NATO was set up; and the very fact that all the people attending that meeting were able to get the real feeling behind people like Mr. Vishinsky, representing the soviet union, was a great contribution to what later happened in the western world and their getting together in NATO to defend what was left of freedom in the world.

Now, then, in a very real way we want to make the union which was brought about by the fathers of confederation a real, working, happy, worth-while union.

Mr. Winch: Why did you not say this last year?

Mr. Tucker: I am one who believes that the confederation of our country would never have been possible if our French speaking fellow Canadians had not been willing to come into the agreement to bring about confederation. I feel that once they had trusted themselves to come into union in a country where they would be in a minority, then it is very much the obligation of the majority to live up to the very spirit on which confederation was based not only in fact but in spirit as well.

I think this resolution is working along that line. When we say to our French speaking members, "We are going to put it in your power to take a full and equal part in the proceedings of this house", which admittedly they have not been able to do up to now, we are meeting one of the bases upon which confederation was entered into, namely that the two languages should be used in the proceedings and debates in this house. What is the use of saying that in words and then having a situation where, in effect, if you are going to be a really effective member of this house you have to speak in English?

In other words, what you are putting in words you are not carrying out fully in practice, and every hon. member knows that is so. If a member rises in his place and speaks in French at least half the English speaking members cannot understand him. Many of them go out, because they are busy and conclude that they will read the remarks in the translation, but many of them do not do so. If they do read it in the translation the man who has spoken in French has not really fully, in spirit, taken part in that debate because the person speaking after him, in order to deal with the matter properly, should know what was said by he members speaking before him and not be required to read it the next day in the translation.

I was surprised at what I saw in Israel two years ago. We hear a lot about the bad feeling between the Jews of Israel and the Arabs who are living in Israel. When I visited the Knesset, the Israeli parliament, two years ago I was very surprised to find that there was simultaneous translation of the speeches made in Hebrew for the members of the Knesset who did not understand Hebrew and spoke only Arabic. I thought to myself well, this is really something to marvel at. We hear about the apparent bad feeling that is talked about so much between the Jews and the Arabs; yet there in the parliament of Israel they provide that the speeches made in Hebrew shall be understood at once by the Arabic fellow members of the parliament of Israel.

Why has this not been done before here? Some of us attended the United Nations in its early days when they were just beginning to fully introduce simultaneous translation.

Mr. Winch: Why did you not do it when you were sitting on the other side of the house? This is the first time you ever made a speech of this nature.

Mr. Tucker: I am sorry that the hon. member is trying to dig up something in regard to my attitude. My personal attitude has always been that we should recognize that what made confederation possible was the agreement of the French speaking people of Canada to come into union with the English speaking people of Canada. I have always been ready to take the view that no attempt should be made to whittle down the basic foundation upon which confederation was made possible. I have been one who has said that the English speaking people in their approach to the rights of our French speaking people should treat them exactly as English speaking people would like to be treated if they were in the minority instead of in the majority. I think that is the approach which all Canadians more and more are beginning to take to this question.

The hon. member for Vancouver East said this might defeat the purpose which the mover of the resolution had in mind, and the member who spoke before me seemed to have a similar thought in his mind. He suggested

that it might discourage members from learning to speak French. I would suggest to hon. members that their fears in that regard are not well founded. Anyone who has listened to the simultaneous translations made at the United Nations, and at other international gatherings, will know that if a speech is being made in French, we will say, and you know a bit of French you can listen to the speech being made in that language, and at the same time you can listen to the translation being made in English.

The man who is doing the interpreting is probably a complete master of both languages, so by listening to the speech made in French and the simultaneous translation into English a person who really wanted to work at it would be able to understand French within a very short time. There are many members in this house who are really anxious to understand both languages and I suggest to them that, far from this system preventing members from learning the other official language of Canada it would enable them to learn it much more quickly. One could actually listen to one language being used and could hear at the same time a very splendid translation into the other official language.

Mr. Winch: It would have meant a great deal more if the hon. member had made this speech when he was on the other side of the house.

Mr. Tucker: My hon. friend has mentioned that I should have made this speech when I was on the other side of the house. I do not recall this motion being brought forward when I was on the other side of the house.

Mr. Winch: Why did the hon. member not move it if he felt so strongly about it?

Mr. Tucker: If it had been made when I was on the other side of the house I certainly would have supported it. As a matter of fact, my hon. friend moves me to recall one incident which did occur some time ago. As I recall it, the late Right Hon. Mr. Lapointe was about to speak on a bill to make provision for bilingual money, and I thought it would be a nice thing for me to say a few words in French in support of the bill. He was gracious enough to yield me the floor to do so. This is one of the nice memories I have of actually being able to make a small contribution towards the adoption of bilingual money in this country.

Mr. Winch: You would take money whether or not it was bilingual, and so would I.

Mr. Tucker: There were people at that time who seemed to fear that some people would not like the money if there were some French on it. My thought was that it would bring home to our Canadian people that the very foundation of our country lay in the willingness of the French speaking people and the English speaking people to join their destinies together and make a great nation. If we are going to succeed in that venture we must treat one another as real partners and respect one another's rights and one another's devotion to his own language. It is not respecting that devotion sufficiently to say to a man who is elected to sit in this parliament, and whose mother tongue is French, if you are going to make the contribution that an English speaking member can make you must first learn to speak another language. I believe we should say to the French speaking members, if you are elected to this house we will see to it that, so far as modern technical advances will permit, you will be able to make the same contribution to the debates of the parliament of your country as if you happened to belong to the majority who speak English.

I think, myself, that if we said that to our French speaking members in the house, where laws are made and the government is supported, then the person who did not speak English would have the same right to make his contribution to these debates as the person who speaks English and we would be showing the spirit which made confederation possible.

Hon. W. M. Hamilton (Postmaster General): I would think that no one in this house would disapprove any measure which is practically possible that would better the understanding of what we say to one another, no matter in what language it may be framed. As a matter of fact, sitting here and listening to this debate I have thought of an improvement in this system which would be of particular benefit to the government. If we could find something which would interpret the government's good ideas in such a way that they would be understood immediately and approved by the opposition, that would be something additionally useful which might arise out of this debate.

Mr. Marler: That would need a master mind.

Mr. Pearson: It would be beyond your capacity.

Mr. Hamilton (Notre Dame de Grace): Reverting to the present from that Utopian condition, I should like to say a few words about the system which was installed here this summer for use by the postal congress, because it has been referred to on several occasions. There have been recurring suggestions that it might have been left in the

house for the use of members in their debates. This was impossible, Mr. Speaker. The system was a temporary one, installed in the light of the fact that the House of Commons is the master of its own destiny; that this chamber was only lent to the congress, and that nothing must be done in this chamber which would leave the slightest mark when the congress was finished. The wires ran on top of the floor and equipment was put on the desks with brackets. There was no boring of holes and there was no permanency about it. Had the equipment been required for six months or a year of continuous use, I have a strong suspicion that it would have been unsatisfactory because of the impermanent nature of the installation.

Then, too, the system was patterned after those in most bodies—I think this is very important in considering the problem which we face in the installation of a system—where simultaneous translation is in operation.

Mr. Breton: May I ask a question?

Mr. Hamilton (Notre Dame de Grace): This would make the fourth speech delivered by the hon. member this afternoon, so if he would hold his question until the end of my remarks I should be glad to answer it then. Most bodies which use simultaneous translation system have a restricted number of microphones and they are bodies which, shall we say, normally are in closer control of their chairman or presiding officer than the House of Commons tends to be at certain times.

In the general assembly of the United Nations, for example, the speaker comes to a podium and speaks from the only microphone which is available. In the committees of the United Nations, if my memory serves me correctly, there are microphones between the delegates, and in the junior chamber of commerce system again there is a limited number of speaking positions. One of the problems which this house is going to face is that of providing for a simultaneous translation system which will take into account the rather interesting and sometimes amusing interjections which might come from any part of the house at any time causing the translators, in effect, to speak for two people at one time.

This problem was not present during the postal congress proceedings. Our postal congress people were well organized. There was one microphone per delegation and while normally there were about 300 people attending these meetings, there were only some 95 microphones in use. In addition to that, and this is just a sidelight which may be of some interest to the house, there was a rather good system of control by which the chairman, who sat on a podium at the south end of the chamber here, could signal the control operator in the gallery and he could cut off any speaker at any time. I suspect there are moments, Mr. Speaker, when you might appreciate such a system for your own use.

Then, Mr. Speaker—and I am not suggesting this as an adjunct to the proposed installation—there were two brilliant lights at your end of the chamber. One was green and it signalled a man who was speaking so quickly that the translators could not keep up with him. When that light flashed the speaker automatically was expected to slow down. There was another light—what we might call an emergency light—which was red. When that light went on it meant that things were completely out of control, that the chairman did not propose to go on with the meeting and that the translation system had been turned off. Perhaps we might have used some of those in some of the pipe line debates. So in that respect, namely control over the microphones, there was quite a difference compared with the type of system we would have here in the house.

Again, Mr. Speaker, if we installed that system or one very much like it we would be obliged to do away with the majority of the people in our press gallery—I think that would be a most regrettable thing—because the equipment and the translation cabins which were required occupied the great bulk of space in the press gallery. Then I might mention in passing the matter of the channels as being another reason for the unsuitability of that system. There were six channels involved. Obviously we would not require such a great number of channels in our present situation.

From some experience that we gained on that system, Mr. Speaker, I would certainly agree with the Secretary of State (Mrs. Fairclough) that it would be a rather involved process to develop people to handle satisfactorily the translations. It is not an impossibility but we should not expect that this is something which could be done immediately. In the case of the postal congress these people came to Canada from fairly well all over the world in order to do this work. From time to time there were little difficulties which arose in the translations.

One which fortunately did not arise in the case of the postal congress but which arose at another meeting shows how difficult it is at times to carry the feeling from one language into another. In German there is a phrase which translates almost exactly into English "The dog in the lumberyard" but translated into English in those particular words it has little meaning. At this particular international

convention, Mr. Speaker, the translator, unthinkingly perhaps, used the English equivalent of the words which sprang to mind and which was "The negro in the woodpile". That translation proved embarrassing to some of those who were listening to the translation. That is only one example of many which could be quoted, some of which would not be quite fit for use here in this house, of the difficulties which will be involved in developing completely adequate translation. But, as I have said, they are not insurmountable by any manner of means.

Having some experience with the technical problems involved in the introduction of a system such as this for us here in the house, Mr. Speaker, I want to suggest to you that it will not be an easy task to work out a satisfactory system to meet our needs. I do not even take into account the question of the great traditions of this house which must also be considered and which were discussed at some length when the original microphone system was installed. There may be those who feel, as they look back over the years, that there would be something undesirable in the installation of a translation system. I am not one of those. I think it has much that is desirable.

However, I think this debate—and this will be my closing point—brings before this house something which we should all remember and appreciate, and I am happy that it has been shown on both sides today. I refer to the great understanding and appreciation of one another's language, culture and background which has been developed in this house over the years since confederation.

I am one who comes from the centre of French Canadian language and culture in this country, namely the province of Quebec. I have lived throughout my lifetime surrounded by people who spoke French and who had a long tradition in the French culture. I have always found that they were particularly generous in their attempt—a very successful one, I may say—to learn the other great language of Canada and to understand and appreciate the other largest group in this country. I am inclined to think that our French friends have perhaps gone further in this direction than has the English speaking section of our country. However, I think that situation is changing. Over the last few years, in going across Canada from coast to coast, I have found an increasing interest in French as a language and in the culture of our French speaking colleagues.

In this connection I would say that I am not wholly happy about certain things which the hon. member for Rosthern (Mr. Tucker) mentioned in the course of his remarks. I do not say this critically but I think he would be interested in the matter. I am not at all sure that we should think—as he did throughout his speech—in terms of a minority group and a majority group in so far as the problems of language and of culture are concerned. Those were terms which the hon. member used on a number of occasions. I view Canada more as a nation of minorities, as a nation in which no one group, be it English or French or some other, has a right to consider that it is the dominant faction in this country. We have been built as a nation largely by those who speak French and those who speak English. But we have also brought to this country and assimilated many people of other cultures and we have at this point millions of Canadians whose mother tongue is other than English or French.

Now by tradition, and quite properly so, there are but two tongues used in this house. We respect them, we wish to encourage them and we wish to understand them. I think the study of this problem is a good idea; I know it is currently being studied, but let us never Mr. Speaker—and these can be my closing words—approach a problem of this nature with the attitude that the majority in Canada comprises one group from the point of view of language, religion or culture, and the minority comprises another group with respect to these three categories. Let us first of all think of ourselves as Canadians; let us think of ourselves as first of all being dedicated to this country of ours and, while we will work for a mutual understanding, let us never think of ourselves as being divided on the basis of language, religion or culture.

Hon. L. B. Pearson (Algoma East): Mr. Speaker, I have listened with considerable interest to the observations of the Postmaster General (Mr. Hamilton) with regard to this motion but have not been able to come to any conclusion as to whether he is for it or against it. So far as I am concerned I propose to support the motion of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton) because I think it is a useful one. The Postmaster General did mention some defects which might arise if the idea of this motion became effective. He indicated that if we had simultaneous translation in this house it might discourage some members of the press gallery from attendance at our debates, but at the moment he made that cautionary observation the press gallery was not exactly crowded, without the benefit of simultaneous translation.

An hon. Member: It is not now.

Mr. Pearson: No, it is not now either; I think there is one extra member in the press gallery. The Postmaster General also

mentioned other difficulties in connection with simultaneous translation. I have had some experience of them myself. It might indeed be hard to translate the expression "nigger in the woodpile" into a phrase which would mean the same thing in French, but I do not think these are very important practical difficulties. In any event, this motion, as I understand it, is that the government should take into consideration the advisability of setting up a special committee of parliament to go into this question and I was encouraged to hear the Postmaster General say at the end of his remarks that a study of this matter would be a good thing.

Its purpose is, as has been pointed out, for a study to be initiated by those members of the House of Commons who are most concerned by the motion. It would be a committee, as I understand it, which would examine and report only. Before that committee there could be discussed the technical, financial and other considerations which would have a bearing on the final adoption of the idea or otherwise.

It has been suggested by the Secretary of State (Mrs. Fairclough) that such an examination could be made, in a preliminary way, by the Speaker. Well, perhaps these two ideas could be combined and Mr. Speaker, who undoubtedly would have an interest in this matter, could carry on an investigation the results of which could be made known to the parliamentary committee. I do think the introduction of a simultaneous translation system into this house—and this has been previously mentioned during this discussion—would give a greater reality to our debates when members are participating in those debates using the French language, which I think we all agree is unfortunately not fully understood by a great many other members. Therefore there are speeches made in this house which cannot be understood as they are made by those who do not know the French language. This makes it very difficult for English speaking members, not understanding the speeches, to participate immediately thereafter in the manner in which they would like, that is to say, by commenting on statements just made. It also puts the speaker using French at a disadvantage.

I would therefore hope that this proposal of simultaneous translation, if it were found to be practical and desirable by a committee of the house, would remove this disadvantage now suffered by some of our members.

The experience of the United Nations with regard to this matter has been referred to by nearly everyone who has taken part in this discussion and that experience, I am sure, has been very much in the minds of those who have initiated this motion. The practicability and value of such a translation system in this house was also demonstrated by its use at the international postal conference which took place here last summer. The system at the United Nations, as I think the Postmaster General himself pointed out, does not require a member to go a podium and speak into a loud speaker to facilitate the working of the translation system. In the work at the United Nations, on committees, delegates speak from their desks as we do in this House of Commons and the simultaneous translation system does work in that way.

The earphones, I confess have uses at the United Nations to which I know they would not be put in this house. I recall how at times the deterioration of United Nations debates could be illustrated by the use to which earphones were put. At the beginning we would put on the earphones and turn to the Russian translation to listen with eagerness but, after a while, they would be taken off because you would get a little tired of some of those Russian speeches and this would be a way of ignoring them. Finally, as an indication of complete deterioration, we would turn the earphones inside out and put them on our ears in such a way that we would not have to listen to the Russian speech at all, even in Russian. Now I am certain if we had that kind of system in this house it would not be debased in such a way.

It has been suggested, Mr. Speaker—I think first by the hon. member for Parry Sound-Muskoka (Mr. Aiken)—that a system of simultaneous translation would minimize or reduce our desire to listen to speeches in French and thereby interfere with the process which very many of us in Canada are undergoing at this time, namely of becoming more proficient in our other language. But, of course, if we introduced this system into the House of Commons there would be no compulsion on anyone to use it in connection with any particular speech, and I should think that as we became more fluent in French our need for the translation would be less and less, and that we should be only too glad to listen to the French speeches without the aid of the system.

I would also point out—and this has been pointed out by a previous speaker—that it would have a positive advantage, in that it would be possible to listen to some of the speeches made, originally, in English, in a French translation, and, undoubtedly, on some occasions, to hear much better speeches in French than were, probably, being delivered in English. At least, that has been my

experience when my own halting observations at international meetings have been translated into classic French.

Thus, I do feel that there are a good many arguments to be advanced in favour of this motion, which have been put forward by speakers from both sides during this debate. I hope, therefore, that the house will decide that this is a sensible motion, and that it does at least make a move toward recognizing the unity of this house and of this country in respect of language and that it will commend itself for sympathetic and, I hope, positive study to hon. members on all sides of the house, through the committee that could be set up.

Mr. Alan Macnaughton (Mount Royal): Mr. Speaker, in rising to support the motion of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton), I should simply like to say that I am sure most hon. members of the house at the present time support and endorse the words of the hon. member for Algoma East (Mr. Pearson). The hon. member for Vancouver East (Mr. Winch) seemed to imply that some of us were "Johnnies come lately" in this respect. We are not. At least a year ago several hon. members on this side of the house were much interested in this problem and formed a committee which did call upon the Speaker of the House of Commons to urge a careful study of this matter. For reasons best known to the former speaker, no solution was advanced at that time. I think the time has come when we should consider this. The point, it seems to me, is not the technical difficulties, nor the cost, though the cost is very important. These matters will be considered carefully by the committee to which I hope the proposal will be referred.

The point is that many of our French speaking associates in this house feel at a slight disadvantage in that they would like to hear without delay a French version of the speeches given in English. So the problem is not one of helping the English to understand French better, but, to put it into reverse, to assist the French speaking members in the house to understand the full import of what is being discussed in the English speeches.

Coming as I do from the second largest French speaking city in the world—the largest after Paris—we have daily contact with our French brothers, and we know from experience that the best way to learn French is by associating with our French speaking confrères; one of the best ways of understanding and learning French is to listen to the language and hear it spoken until your ears become acclimatised to it.

Many points have been covered by various hon. members who have spoken, and there is no purpose in going over the same territory again. But I should like to say at this time that the sooner this matter is brought to a conclusion and referred to a standing committee or to a committee to be set up to study this question, the better it will be for all of us in this house.

(Translation):

Mr. Louis Deniset (St. Boniface): Mr. Speaker, may I be allowed to say a few words in this debate. The request now before us is by no means extraordinary. No impossible demands are being made. We are only being asked to set up a committee to consider the matter.

(Text):

I just wonder, Mr. Speaker, how many hon. members actually understood what I have just said? I venture to say that more than one-third of the hon. members in this house did not understand a word of what I said in French. Quelle est la température à Vancouver-Est? How is the weather in Vancouver East?

Mr. Knowles (Winnipeg North Centre): Très bien.

Mr. Deniset: Mr. Speaker, suppose we have to take a vote right now? How can we vote properly if we have to wait until tomorrow morning for the translation? We should miss the benefit of the sonorous phrases which have been pronounced by the Postmaster General (Mr. Hamilton); we should not have the translation in time to vote today.

Mr. Hamilton (Notre Dame de Grace): Good for you.

Mr. Deniset: The objections which have been raised are strictly technical. Is not a committee the best place in which to study technical and administrative difficulties? The hon. Secretary of State (Mrs. Fairclough) has said that the Speaker is looking into the matter. The inference is that she favours a study of the problem. I say, Mr. Speaker: let us have a committee, and let us have the Speaker look into it, and let us see who gets there first.

Mr. Raymond O'Hurley (Lotbiniere): Mr. Speaker, I have listened with interest to the speeches made by various hon. members concerning the motion now under discussion. As one who has always lived and who still resides in a French community, having spent my life there, and as the representative of French speaking elements near the city of Quebec, I think this motion as it has been proposed today is one which will have its importance in exemplifying that bilingualism in Canada is not only a word which can

be used during election time but also a word which can be applied in action.

Mr. Speaker, my attitude is a firm one. There are no two ways about it. I think that though there are technical points to be studied and ironed out—I realize that this will be quite complicated and that cost will be an important item—nevertheless, the suggestion is worthy of consideration. In my opinion it is worthy of acceptance and the house should go on record, not only as being in favour of a study of this problem but as being willing to provide means of putting it into practice at the earliest opportunity.

I was surprised to hear the hon. member for Rosthern (Mr. Tucker) speak so eloquently on this subject, and what surprised me most was not the wording of his speech but that he should have come out so strongly in favour of this suggestion, considering the short period of time during which the present government has been in office. I think the hon. member should have spoken as wholeheartedly on this question in the past as he did today. But that does not change my attitude. My attitude is the same, and I say with all firmness and frankness that since confederation has been established; for 90 years on the basis of the upholding of both the official languages spoken in Canada, this house should have a simultaneous translation system at the earliest opportunity, and that the Speaker should continue his researches, or action be taken along the lines of whatever suggestion is adopted, to iron out whatever difficulties may arise in order that this house might see the application of this system which has been installed in other important assemblies throughout the country.

(*Translation*):

Mr. Georges Villeneuve (Roberval): Mr. Speaker, I do feel I should take part in the debate on this resolution introduced by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton) with a view to the establishment of a simultaneous interpretation system, from English to French and vice versa, in this house.

The British North America Act makes both French and English official languages in this country. Now if it is considered proper that the official record of the debates be published in both languages, I believe that it is well within the spirit of the constitution that these debates, which are officially translated, be also simultaneously interpreted at the very moment they are taking place in this house.

I propose to dwell more particularly on the practical aspects of the project under review.

Everyone knows that to take part in the debates in this house with complete peace of mind and in all circumstances it would be necessary to be perfectly bilingual. That is the aim of many hon. members but we must recognize that, in practice, things are not so simple. I myself feel that out of 265 members, 15 at the very most can be considered to be perfectly bilingual. Indeed I feel that is a generous proportion since, apart from two or three exceptions who have attained that ideal, other so-called perfectly bilingual members are much more at home in their native language than in their acquired language. After all it is only natural.

It is hardly necessary to be present at more than one sitting of the house to notice how acoustics remain relatively bad in spite of the improvements made a few years ago. As far as I know, nobody here has a built-in amplifying system, although everyone would need one to hear properly the speeches made in this house. Since the margin between hearing and understanding, in the strict sense of those two words, remains wide, I must confess, along with a great many of my French-speaking or English-speaking colleagues, that to follow the debates in this house constitutes a constant effort which it would seem unfair to demand of the representatives of the people during the six months or so that the session lasts every year. Added to these difficulties of hearing and of understanding, there is the fact that the questions under discussion in this house are extremely varied in nature, quite often of interest only to one section of the country, and are beyond the comprehension of members of the areas not directly concerned. This, to my mind, explains the absenteeism which is deplored by certain newspapers who do not always go to the trouble of looking into the cause for this state of affairs.

Up to this point the group on which the greater demands have been made from the point of view of bilingualism is certainly the French-speaking group. Do English-speaking members know that their speech and manner of speaking vary enormously according to the part of the country from which they come? Has anybody ever bothered to notice the difference between the English spoken by a member from Newfoundland and one from Alberta, between the English spoken by a member from Nova Scotia and another from British Columbia, and even between an English-speaking Quebec member and his Ontario colleague? The pronunciation, the tone, the words used are such that a French-speaking member like myself cannot help noticing if all these English-speaking members from various parts of the country speak the same tongue, the unity so displayed remains rather diversified, a fact which certainly adds to the difficulties of the French-

speaking members who listen to all those learned speeches in this house.

On the other hand we have among us members of Germanic, Slavic and other origins whose English is at times not unmixed with a few exotic expressions which all add to the difficulties I have just mentioned. It is therefore in order to do away with these difficulties, this miniature tower of Babel, that I ask for simultaneous interpretation, so as to provide every member, whichever one of our official languages is his native tongue, with every possible means of realizing all his potentialities in this house.

Since my coming here in 1953, I have witnessed some noteworthy efforts in favour of bilingualism, on the part of French-speaking as well as English-speaking members, and I feel that the adoption of a system of simultaneous translation would only intensify this tendency which should develop on the basis of absolute freedom. National unity will not be attained by force and nothing can be more favourable to its achievement than by showing each of the two main racial groups, whose languages are officially recognized by the constitution, the consideration to which it is entitled with due regard for their normal modes of expression, language being always the vehicle of thought. As stated recently by a lecturer: "A man has no more reason to ask permission to love his own language than to love his own mother."

In my opinion, a system such as the one being considered would tend to give everyone the advantage of expressing himself and of being clearly understood.

Since my coming to this house, I have on several occasions spoken in favour of the measure moved today by my hon. friend from Joliette-L'Assomption-Montcalm. On January 27, 1955, on the occasion of the debate on the address in reply to the speech from the throne, I requested the adoption of a system of simultaneous translation in this house. In 1956, I was the first member to move a resolution similar in purpose as that of the hon. member for Joliette-l'Assomption-Montcalm, and, again at this session, I have had a similar resolution so registered under my name but unfortunately it is the 25th on the list, whereas the hon. member's is at the top. I shall be happy, when all have spoken in favour of this resolution, to be able to say that I myself have done my small share to obtain the adoption in this house of a system of simultaneous translation.

Earlier today I heard the hon. member for Vancouver East (Mr. Winch) give estimates, which I consider extravagant, as to the cost of putting in this equipment, and I would rather rely on the figures suggested by the hon. member for Joliette-l'Assomption-Montcalm who estimated that the installation would cost approximately $40,000, plus the salaries of four interpreters.

I am really puzzled and surprised at this sudden show of thrift on the part of my hon. friend from Vancouver East, and I hope he will reconsider the matter in all its aspects and realize that we are not asking the impossible, but mere justice. In my opinion, when justice is involved, there should be less talk of money.

Mr. Speaker, I also wish to point out to the house that the galleries too should be equipped with the system we are proposing for the house.

It must be realized that all visitors to the galleries are not necessarily bilingual. For my part, representing a constituency 98 p. 100 French-speaking, I have at times been sorry to hear constituents of mine who had attended a sitting of the house say: "It is too bad but we could not understand a single word; the only speeches made while we were there were in English." Well, those people went back home feeling less satisfied with their visit. If a system such as the one we are considering today had been in use in the galleries, I am convinced that these people would have been much more satisfied and would have gone back home much prouder of their Canadian citizenship. They certainly would have felt greater appreciation for their visit in the capital of their country.

The proposed resolution also concerns the system of simultaneous translation in parliamentary committees. My remarks to the house also apply to committees, in view of the fact that the questions raised are greater in number and that the speeches are rather in the form of questions and answers.

For the last congress of the International Postal Union, the government had seen fit to have a system of simultaneous translation installed in the house so that all delegates coming from all over the world could understand what was being said in the course of the debates. If it was then considered important that all delegates understand the debates, I am wondering why members of the house would not be granted the same privilege in following the debates of this house.

I hope that the proposed resolution will be considered favourably by all members on whatever side of the house they sit and whatever their political party. And so, after adopting the resolution, we shall be one step further on the way to national unity.

(*Text*):

Mr. Yves Leduc (Verdun): Mr. Speaker, I am strongly in favor of this motion. May I be permitted to ask a question of the Postmaster General (Mr. Hamilton). In his absence I am sure he will be kind enough to take it as notice. My question is: When the international postal convention took place in this house last summer did the authorities responsible for the organization of the simultaneous translation system hire translators from Canada only, or also from elsewhere, for translation from French to English and from English to French? How much did the temporary system cost the government? Thank you.

Mr. John Smith (Lincoln): Mr. Speaker, I should like to rise in support of this resolution. I must admit, sir, that my knowledge of the French language is very limited.

(*Translation*):

First great war with the 22nd regiment! Germans heavily bombed! Do you speak French? Perhaps you understand fried potatoes, eggs, milk, Cognac, red wine, white wine...

(*Text*):

And a great many other words that you would not use in this house. Mr. Speaker, we are a bilingual nation or race and it is not my intention in any way to discourage that. I support it and I support the resolution.

(*Translation*):

Mr. Lomer Brisson (Saguenay): Mr. Speaker, in my opinion, no resolution was ever put forward which is more calculated to promote goodwill in this house and national unity in the country at large than the one moved by the hon. member for Joliette-L'Assomption-Moncalm (Mr. Breton). All the citizens of this country will, I believe, thank him for introducing such a resolution today.

Mr. Speaker, we must however ask ourselves a question. While this parliament has been dealing with public affairs for some 90 years, what is the present position of its members as far as bilingualism is concerned? I believe that very few of us can boast of speaking both French and English fluently. I will therefore ask another question, even though many improvements have been made in this regard since 1867. How many among those who will come after us during the next century, assuming that bilingualism keeps on improving at the same rate, how many among them will be able to boast that they are perfectly bilingual?

Without being pessimistic, I believe that, at that time, even if other improvements have taken place it will still be said then, as it is today, that bilingualism is still confined to a minority in the house.

How much longer, Mr. Speaker, shall we see hon. members leaving the house to avoid listening for thirty minutes or an hour to a language which they do not understand? How much longer shall members who speak another language be forced to spend hours reading speeches which they could not hear or which they misunderstood? How much longer shall members under the pressure of circumstances, be compelled to refrain from speaking their mother tongue, the language most adapted to their feelings, their intelligence and their knowledge?

Mr. Speaker, I wish to pay tribute to the hon. member who, today, is asking the government not the immediate establishment of a system of simultaneous translation—because objections have been raised in certain quarters of this house, some saying that it would mechanize our debates, others that it would cost too much—but simply to lend a sympathetic ear to the proposal that a parliamentary committee be set up where experts could be heard, and where it could be determined whether it would be easy or not to instal a system of simultaneous translation.

For my part, I believe that a matter such as this is above party politics. If we really need mechanical devices to solve the language problem in this house, well, I, for one, prefer a true and real bilingualism provided by mechanical devices to a bilingualism which practically does not exist in this house.

If modern technology can actually give us a system, even mechanical, which could solve this national problem, I would favour it, the protestations of the hon. member for Vancouver East notwithstanding.

I repeat, Mr. Speaker, that I am in favour of the motion, and again I congratulate the mover and all those who seek to promote in this country the idea of simultaneous translation in this house.

(*Text*):

Mr. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I have listened with great interest to the speech of the hon. member who has just taken his seat. There is only one regret in my mind. It is that in the past he has not devoted so much energy toward simultaneous translation. Maybe if in the past he had spoken as loudly as he did today we would be farther advanced.

The resolution before us is a very important one. Before we all agree to it, or before we all accept it, I think there needs to be a great

deal of research done. I should like to go on record as recommending to this house that we study all phases of this question, even though I am of the opinion that the adoption of simultaneous translation would do a lot to aid national unity. If we had simultaneous translation, it would make the proceedings of this house much more interesting, not only to the members but to those who listen in the gallery. However, I would say that before we embark upon such an expenditure we should look into all aspects of the question very carefully.

Hon. George C. Marler (St. Antoine-Westmount): I am sure hon. members would agree that at this stage of the discussion it would be very difficult to add any very new ideas, but I should like to commence my very brief remarks by expressing my congratulations to the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton), not only upon the very clear exposition of the arguments which he invoked in support of his motion but also upon the facility he displayed in presenting his facts and arguments in English, which of course we know is not his mother tongue. I am sure there are many hon. members in this house who envy the facility with which he exposed the reasons he advanced, with which many of us agree, as to why this motion ought to be received favourably by this house.

It seems to me, from the arguments that have been presented by the various members who participated in the debate, that there are two fairly obvious advantages that simultaneous translation would have. It would, of course, enable English speaking members to understand the meaning of what is being said by hon. members who were using the French language. Conversely, it would also enable hon. members whose mother tongue is French more perfectly to understand what is being said in the house by hon. members who are speaking English. As the hon. member for Algoma East (Mr. Pearson) said, it would give a reality to our debates which I cannot help but think is missing at times. Very often it seems to me that when speeches are made in this house in the French language, the debate resumes afterwards just as if nothing whatever had been said by the member who had just spoken French.

I know that all of us would like to possess that facility in both languages which a good many members have, but knowing the difficulty of learning either English or French it does seem to me that the objection raised by the hon. member for Vancouver East (Mr. Winch), namely that the system would discourage us in this task, is not really a serious objection to this motion. I have a great deal of sympathy for the hon. member for Joliette-L'Assomption-Montcalm because in my own political career I have been in a situation similar to his. He is a member of this house in which the great majority of members are English speaking. It was my privilege to be a member of the legislative assembly of Quebec where the converse is true and the great majority of the members speak French and many of them, I am sure much to their regret, do not understand English too well. Consequently, Mr. Speaker, my own personal experience was that I could make no impression whatever in debate while I was speaking English. On the other hand, even though I had not attained perfection in French, in fact far from it, it did seem to me I made much more impression when I made my remarks in French.

At the same time, I realized to the full, just as I am sure many hon. members whose mother tongue is French realize, that it was exceedingly difficult, first of all to attain great proficiency in a second language, and it is even more difficult to become persuasive in that second language because while it is one thing to possess the vocabulary it is another thing to use it fluently, convincingly and as I say persuasively. I feel quite sure that the debates in this house would be much more effective if all hon. members knew simultaneously what was being said in either French or English.

I would say to hon. members whose mother tongue is English, and particularly to those who represent the western provinces, that the French speaking members in this house would understand the problems of the west much better if simultaneously the remarks of western members were being translated into French. It would enable members, particularly those from Quebec, to follow the debate much more closely instead of having to read the remarks in *Hansard* the following day. I think, Mr. Speaker, it would be a very real contribution to the debates of this house if we had simultaneous translation.

Some questions have been raised with regard to the technical difficulties that would be involved in installing the kind of system that would be required. Then, too, some other objections, which seemed to me to be rather secondary objections, were raised by the Postmaster General (Mr. Hamilton). I am sure that these difficulties are very secondary in character and that if a committee were set up pursuant to this motion it could very easily determine whether or not these technical difficulties are insuperable. Personally,

I cannot believe that the difficulties are insuperable. I have not attended many international conferences, but I did attend one about a year and a half ago in which there was a simultaneous translation into English, French and Spanish and I must say it was carried on with great facility even in the committees of that conference. I cannot believe that in the House of Commons the task would be, by any means, beyond Canadian capabilities.

I do not want to reiterate the arguments that have been expressed by others. I think there have been many excellent arguments invoked during the course of the debate, but I did want to take the opportunity of saying I am fully in sympathy with the motion and if it comes to a vote I shall certainly support it.

Mr. Pratt: May I ask the last speaker if this question was ever raised in the assembly at Quebec during the many years he was there?

Mr. Marler: No, Mr. Speaker, it was not raised because the custom developed of speaking one language almost exclusively. There were, I think, only a few members of the house when I formed part of the assembly who spoke English as their mother tongue. If I might answer the question more fully, Mr. Speaker, the one exception was during the discussion of the estimates of the department of mines, the minister of which was English speaking. The critic on the opposition side was also English speaking. The discussion started in English with a few questions directed to the minister which he answered in English. Then, the premier usually spoke partly in English and partly in French. Then, we continued the debate in French for three quarters of an hour, when the critic in the opposition came back to ask in English the questions which had just been settled in French. Consequently, I think this is an excellent argument in favour of simultaneous translation.

Hon. Howard C. Green (Minister of Public Works): This afternoon, Mr. Speaker, we have had a very useful debate and personally I have been very much impressed by the reasonable attitude taken by all those who took part.

The hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton) presented his case fairly and I can assure him that he has sympathetic listeners on the government side of the house. I was intrigued to notice that he seems to have made two converts on his own side of the house. I refer particularly to the two members of the last ministry who have taken part in this debate today, namely the hon. member for Algoma East (Mr. Pearson) and the hon. member for St. Antoine-Westmount (Mr. Marler).

Mr. Marler: Mr. Speaker, I think the hon. gentleman is mistaken in using the term "convert".

Mr. Green: I beg the hon. member's pardon?

Mr. Marler: I think the hon. member should not be using the word "convert" because it suggests our having had a different opinion on the matter. The hon. gentleman well recalls the fact that there was never an opportunity for either me or the hon. member for Algoma East to express an opinion in this house on the subject.

Mr. Green: The hon. member for Roberval (Mr. Villeneuve) pointed out—and I think correctly—that he had had a resolution on the order paper in an earlier session. Certainly if the members of the former government had been in favour of taking this step, there was nothing whatever to prevent them from doing so.

Mr. Chevrier: The subject never came up for discussion.

Mr. Green: However, they are learning very rapidly how to carry on in opposition.

Mr. Marler: We have a good example.

Mr. Green: The hon. member for St. Antoine-Westmount has had a great deal of experience in that position in the Quebec legislature and he did not have quite so much to learn as did the rest of the former ministers.

Mr. Marler: The minister is learning very fast.

Mr. Green: However, all joking aside, this question has been receiving considerable attention from the government. We watched the proceedings of the postal union congress which were held here in this chamber just a few short weeks ago and there are studies now under way by several of the departments on this very question. For example, the Department of Public Works would be responsible for seeing that any installations were correctly made. The officials of that department have the subject in mind and, as I have said, have been working on it for some time. We are not in a position yet to give estimates with any degree of accuracy at all. I believe that the figures given by the hon. member who sponsored the resolution are low and that it will be found that the expense is considerably higher. I also believe that the cost of providing translators would run to at least $100,000 a year. That figure may or may not be correct. The studies

of this problem have not yet gone sufficiently far for us to speak with any degree of accuracy. In the final analysis it is the responsibility of the government to place all of the picture before the house when a decision is to be made. Of course, Your Honour is in charge of the house and I suppose the primary responsibility must rest with Your Honour. As was pointed out by the Secretary of State (Mrs. Fairclough), the Speaker has the subject in mind and is trying to see that the best solution is worked out.

Then there is one further feature about this resolution. It calls for the setting up of a special committee. That is quite impossible at the present session. I explained to hon. members the other day that this session was called to finish off the business for the year 1957 and not to deal with the business for 1958. The main purpose, of course, was to have the estimates for 1957-58 considered and passed by the house. In addition to that, there was certain urgent legislation which had to be put through. But the session is a session of two months in duration, unless hon. members wish to stay here during the Christmas holidays and then on into the new year. However, I am sure that would not be the wish of the vast majority of the members of this parliament. There is no reason at all why we cannot finish the business before the Christmas season. The very fact that there is so little time remaining—in fact there are only four more weeks if we are to be through before Christmas—demonstrates that it would be utterly impossible to set up a special committee such as that which is asked for in this resolution. Even if the committee were set up, it would be quite impossible for that committee to do its work properly because the facts are not available to be placed before a committee at the present time and they will not all be available before the end of this year.

Mr. Knowles (Winnipeg North Centre): Before the minister leaves that point I wonder whether he would accept one question?

Mr. Green: Yes.

Mr. Knowles (Winnipeg North Centre): Does the motion ask that a committee be set up at this session? Would it not be possible, under the terms of this resolution, for the government to consider the advisability of setting up such a committee at a future session?

Mr. Green: When the house comes back after the new year for the 1958 session, consideration would then have to be given to the manner in which this question would be handled. I am not at all sure that the proper way in which to handle it is by means of a special committee. There are standing committees of the house which I think could do the job just as well as or better than a special committee. Certainly at this time, for the reasons I have given, there would be absolutely no point in having this question considered by a special committee or by a standing committee.

I suggest, Mr. Speaker, that all of us should give consideration to the various questions that have been brought out this afternoon in this worth-while debate. From what has been said hon. members can tell that on all sides of the house there is a keen interest in this proposal. I believe that the debate has been very helpful and I close my remarks with the statement I made at the opening of my speech which was to the effect that we are very sympathetic to this suggestion and that the facts which have been brought out this afternoon will be given very careful consideration by those departments of the government concerned. I now move the adjournment of this debate.

Hon. Lionel Chevrier (Laurier): Before the hon. minister moves the adjournment may I say to him that there are still several members on this side of the house who would like to make a contribution to the debate and I wonder whether he could not allow them to make their contributions and make his motion later because they have been sitting here prepared to go on with these short statements and I am sure it would be of great help to them if he allowed them to do so.

Mr. Green: Mr. Speaker, I am very sorry but I waited until the mover was on his feet and after he had spoken that would have closed the debate; I waited purposely for that and I am afraid under the rules there is now no way in which I can do what the hon. member for Laurier (Mr. Chevrier) suggests.

Mr. Chevrier: Mr. Speaker, I understand the hon. member was on his feet to ask a question and not to proceed to be the last speaker and, if I understand the rules of the house, I do not think he is permitted to be the last speaker. I understand that once the debate has expired because of a lack of speakers there is either a vote taken on the resolution or the adjournment is moved as my hon. friend has now done. Those are the two alternatives as I understand them, but there are still a number of speakers waiting and I am sure the hon. leader does not want to move a motion preventing these members from this side of the house, and more particularly from the province of Quebec, from expressing themselves on the resolution.

Mr. Green: I would just like to make one point; I hope the hon. member for Laurier (Mr. Chevrier) does not mean to suggest that I spoke when I did in order to prevent anyone else from speaking. I have sat here all afternoon and have been prepared to sit until nine o'clock this evening without the slightest intention of cutting anybody off, but when the hon. member for Joliette-L'Assomption-Montcalm rose to speak I took it that he was then closing the debate and that if I did not then speak I would be cut off myself.

Mr. Chevrier: No I did not mean to make that suggestion at all and I hope my hon. friend did not take any of the language I used in that sense because that certainly was not my intention. My only intention in rising was so that he might allow his motion to adjourn the debate stand until certain hon. members had made their contributions. I believe the hon. the former minister of agriculture (Mr. Gardiner) was on the verge of rising.

Mr. Gardiner: I was up and I addressed the speaker.

Mr. Chevrier: I am sure the hon. member for Melville does want to say something.

Mr. Gardiner: I just want to say, Mr. Speaker, that I am sure the hon. minister did not notice I was on my feet and I of course did not notice there was any member on his feet behind me. I did address the Speaker but by that time my hon. friend had been acknowledged. I am not raising any objection at the moment but I do desire to say a few words.

Mr. Knowles (Winnipeg North Centre): On the point of order, Mr. Speaker, I might suggest first of all that there has not yet been a seconder for the motion by the hon. the Minister of Public Works (Mr. Green) that the debate be adjourned. Apart from that, however, if he thinks the situation is such that he spoke sooner than he intended to, all he needs to do is to ask the leave of the house to withdraw his motion to adjourn the debate and allow the debate to proceed. If the government still wants to use this device of ending the debate, when it is over the minister could have somebody else move the adjournment of the debate. There really is no great problem at the moment, surely. All the Minister of Public Works needs to do is to ask the consent of the house to withdraw the motion whereupon the debate can continue. It is just as simple as that.

Mr. Green: Oh, I do not think I should be put in the position of having to ask leave to withdraw my motion. I would be very willing to have the motion stand and in the meantime allow anybody to speak who wishes to do so.

Mr. Chevrier: Thank you very much. I think that will meet the purpose.

Mr. Knowles (Winnipeg North Centre): I do not know where you will find that in the rule book.

Mr. Green: Perhaps if the hon. member for Winnipeg North Centre could put his blind eye to the telescope on this occasion with regard to the rules of the house it might be helpful.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order. When a motion is not seconded it is dropped right away and we do not have a seconder for the motion of the hon. minister. It is not therefore necessary to withdraw the motion in question.

Mr. Green: Well, Mr. Speaker, I believe the house could do as I suggested—that is to say, by unanimous consent the motion could stand.

Mr. Knowles (Winnipeg North Centre): The deputy speaker says that there is no motion.

Mr. Green: And then the debate could go on in the meantime.

Mr. Deputy Speaker: This motion is not debatable and since we do not have any seconder the motion is not a formal one.

Hon. Michael Starr (Minister of Labour): I will second it.

Some hon. Members: It is too late.

An hon. Member: Closure.

Mr. Deputy Speaker: Mr. Green, seconded by Mr. Starr, moves that the debate be adjourned—

Some hon. Members: Oh, no, that is curtailment of the debate.

Mr. Chevrier: I understand from the house leader that he is going to allow the debate to continue and, that being the case, I would suggest that the motion should not be put until after the speakers have spoken.

Mr. Green: That is quite satisfactory.

Mr. Deputy Speaker: That is correct, if no motion is put from the Chair.

Mr. Gardiner: Then, I would like to say a few words, Mr. Speaker.

Mr. Green: We will want a good speech now.

Right Hon. J. G. Gardiner (Melville): Of course I have not had an opportunity to discuss this with anybody, but in view of the attitude taken by the hon. minister I do not think any of us should try to talk him out at six o'clock or later. There should be an opportunity for him to put his motion later on and I do not think we should try to talk that motion out. We should give him an opportunity to have the adjournment moved later and with that understanding I shall proceed. I was not here when the motion was moved and did not hear the earlier discussions—I have just returned this afternoon from the west and was not in the house. There were, however, one or two remarks made by certain speakers which I feel should be enlarged upon and they have to do with the fact that members on this side of the house had not moved such a motion or taken such an attitude during the time when we were in office. I would also like to deal with the further point that some people find it a little difficult to learn a second language. That probably is not because of their unwillingness to do so or a lack of desire on their part and I just wanted to give one or two of my own experiences in regard to both these matters. When I decided to go into public life I was quite young. I am not so young now.

Mr. Green: That is a long time ago.

Mr. Gardiner: Well, over 50 years ago I decided that I was going to attempt to be elected some time. The first thing I did was to go to university and the first subject I wanted to learn was the French language. I learned sufficient French to pass at least three examinations and I thought I knew something about it. Well, after that I had to make a living and in addition, when I did go into politics, I had to get elected. Between the two things it took a lot of my time. Furthermore, there were no French people living in the area where I lived and I found what I had learned about grammar and even my ability to pick up a newspaper and translate from the French into the English, understanding the content thereof, slipped away from me in a fairly short time. I was not able to make very much use of the knowledge of the language I had gained while at university. When I was nominated in a constituency I had people there who spoke every language spoken in Europe and in addition two of the languages which are spoken in the orient, Chinese and Japanese.

There was the problem of trying to satisfy all the people I was going to ask to vote for me. I was not able to speak to all of them in their own tongues, so I was not over-keen even to attempt to speak any language other than English in those circumstances. For some considerable time after I had been elected to the legislature there was never more than one person in that legislature who spoke or understood French, so there was no real reason for my speaking French there. That took up quite a number of years and, as I say, there was some difficulty about doing more than was required of me in the positions occupied.

Then I came to this house and, having sat here for 25 or 26 sessions covering over 22 years, I know I have missed a great deal by not being able to follow the speeches which are made in French. Of course, I have been able, when it was particularly important that I should do so, to wait until the translation was available and then to read it, but during all the time I have been here I have been a member of the government, that is until the election, and I know that hon. members who are in the government now will understand that there is a great deal more to do when you are a minister than when you are a private member of the house. So often I did not find it possible to read these speeches in translation, and I say once again that I think I have missed a great deal during those years.

I had the privilege as a member of the government of attending international meetings. Some hon. members have said: "Why have we not discussed this matter before?" Well, I think I am correct in saying that the development of facilities for rapid translation while a speech is being given is rather recent, and then, in addition to that, we are living on a continent which is quite different from Europe in that one language is spoken generally over the continent.

I was never more surprised than on one occasion when I was in Europe some ten years ago. I was called upon to deliver a speech to an audience of four or five hundred French people in the open air, and I knew while I was delivering it that not more than half a dozen of them could speak the English language, and most of those were part of a party in which I, myself, was included. I got up and delivered the speech in English just as if they all understood it. They listened, and as far as I could see they were taking it in, just as much as hon. members in this house do when I speak, though I am not always sure they do that here. But these people certainly appeared to listen. Just as I was about to begin the speech, some one said: "What about an interpreter"? But the official interpreter was not there, and they turned to a gentleman standing there and said "Can you interpret from English into French?" and he said "Yes."

Now I watched him while I was speaking, and to my knowledge he did not take down any notes. Then, when I had finished, he delivered the speech to the same audience in French and I agree with my hon. friend from Algoma East (Mr. Pearson) that it was probably a better speech as he delivered it than as I delivered it. Nevertheless, he made the speech and then, when it was over, I found out that he was neither French nor English, he was Russian. Yet he delivered that speech in French to that group of people, and they certainly understood him much better than they had understood me. Afterwards, the speech was translated back into English, from what he had said, and sent back to me in Ottawa—it reached me after I got home. It was sent to me for correction and all I have to say about it is that it said everything I was trying to say, and said it much better than I had said it, even though it had been translated from the Russian's French into English.

Mr. Macdonnell: May I ask the right hon. member a question? That is a very interesting statement. Does he say it contained not only the sense of what he said but, practically, a word for word translation?

Mr. Gardiner: Oh yes, it was word for word; if it differed in any place it was, perhaps using a word in English of somewhat finer meaning than the word I had used.

Mr. Green: A little more sensible?

Mr. Gardiner: No, it was a word that could not be misunderstood as conveying what I wanted to say. I find sometimes, in this house, that when I speak off the cuff as I do most of the time I do not know the dictionary well enough to use the word which conveys the exact shade of meaning I wish to express. But this gentleman had given the proper shade of meaning to every thought I had tried to put into the minds of those people at that time.

I imagine that when setting up a plan of immediate interpretation in this country there might be a little difficulty in finding interpreters of that type. Perhaps you could find interpreters who could immediately convert spoken English into French, and French into English. But they would not have had the same practice as they have in Europe where there are so many small countries talking different languages. So there may be some difficulty. But it is not impossible. I do not think this has anything to do with bilingualism. That matter was all settled at the time of confederation. There are bilingual rights in this house, and since those rights exist I think the best possible facilities should be taken advantage of at the earliest opportunity.

I am certainly in favour of the resolution, and if I have the privilege of being here when the matter is finally discussed and considered, I will support it. I take it, from what the minister has said, that it will not be possible to deal with the matter this session, and that even if a committee were set up now it would need to have the authority to continue on into another session and discuss the matter further. I quite agree that it is logical to contend it cannot be finished this session, but I think it is all to the good that as many of us who can do so should express our views on this subject, and if these views are as unanimous, as they have been up to the moment, then I think we can find ways of making it possible for all of us to understand at all times what is being said in this house by providing the facilities for simultaneous translation of speeches which can be heard at the same time in English and French.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I thank the leader of the house for having given hon. members on this side an opportunity for discussing this subject notwithstanding that he had already moved the adjournment. There are still a number of speakers who would like to discuss this resolution, and I was among those myself. That is one of the reasons, along with others, why I intervened at the time I did. I want, together with those who have risen on this side of the house, to support at this time the motion made by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton) and I do this not only because of the fact that I believe a simultaneous translation of the debates in this house would be a good thing, but also because I believe that the resolution does answer at least some of the objections which were raised earlier during the course of the debate.

The resolution, in my opinion, is a very simple one. It states that the house—

> . . . should take into consideration the advisability of setting up a special committee of parliament for the purpose of considering the establishment of a system of simultaneous translation, in the official language which is not that used by the member then speaking, for all debates in the House of Commons and in all parliamentary committees.

A question was asked of the Prime Minister (Mr. Diefenbaker) not long ago to which his reply was: "Yes, we are willing to consider anything," and I am sure that this would apply to the resolution which is now before the house.

The Postmaster General (Mr. Hamilton) after making a contribution to the debate I think said in effect that the idea of studying the question is a good one. That was also said by the Secretary of State (Mrs. Fairclough) who, while perhaps she did not use

the same language, said that the Speaker has the matter under consideration. I think, too, that the leader of the house in rising earlier to make the contribution he did used words to the effect that the government was anxious to give this sympathetic consideration but that perhaps this was not the method by which to do it.

The point I would like to make at this time is this. With but few exceptions most of those who have risen to take part in this debate seem to me to have favoured the resolution. Well, that being the case it would strike me there should be no objection to accepting the resolution in its present state because of the statements that have been made by those who have taken part in the debate.

I realize that the point made by the house leader at the present time is perhaps one which could be useful on other occasions but I do not know that it is as useful on this occasion because, after all, this is private members' day. This day is devoted to private members' resolutions and whether we speak until ten o'clock on this or whether we do not I think makes no difference to the government. Of course, I am not suggesting by that statement that we are going to do that. I would rather approve of what the hon. member for Melville (Mr. Gardiner) said, that after the contributions which we intend to make are made the motion made by the leader of the house will be taken up by the house. But it would strike me that because of the arguments that have been made by most of those who have risen to speak in the debate the resolution should be accepted by the government.

There have been some objections raised but in my opinion they were not very serious and all of them could be studied by the committee that this resolution seeks to establish. I think of the objection raised by the hon. member for Vancouver East (Mr. Winch). He could go to this committee personally and give the benefit of his advice as an electrician or in any other capacity he may wish so the committee would have in its possession all the information capable of enabling it to arrive at a decision on the important question that is now before us.

As other hon. members who have spoken today stated, I too have had the advantage and the privilege of sitting at the United Nations. In fact, I had the great honour of leading the Canadian delegation in 1948 when that delegation sat at the Palais de Chaillot in Paris. During those six or seven weeks while I was there I was astounded at the rapidity, the fluency and the accuracy with which the simultaneous translation went on. It seems to me that those who are anxious to learn and speak the French language would have a greater advantage in so doing if the simultaneous translation system were to be adopted in this chamber.

In my experience in coming back to the house after an absence of three years I was astounded when listening to some hon. members from the province of Quebec particularly at the manner in which they had improved their English. I hesitate to mention any names but I was more than surprised to observe that in this short period of time several hon. members were able to speak almost perfect English and I think I can pay the same compliment to some hon. members on the other side of the house whose ability to speak French has improved. I was astounded and pleased as well to see how some hon. members not from the province of Quebec on the other side of the house could rise and speak good French. I will not say it is excellent French but it is good French. Simultaneous translation will not only assist but will tremendously improve that facility because, as has been said here by the hon. member for Algoma East (Mr. Pearson), if a person is speaking in one language, let us say the English language, and one wants to listen to the speech in French he can turn on the translation and follow the speech from one language to the other.

As the Secretary of State said, it may be that it would be difficult to obtain translators but I doubt that very much because I know there are Canadians at the United Nations now who are serving as translators and they have had little or no difficulty in performing that service. I have no doubt that translators could be obtained from the Department of the Secretary of State or from other sources outside of the department altogether.

I say to my hon. friend the leader of the house that if most of those who have risen and spoken on this resolution favour it, what objection could there be to the government accepting it, considering it and studying it? I agree with him there is not much time left from now to the end of the session but I do not think anyone either on this side or on the other side of the house would think for one moment that all the information required on the part of the government to make a decision on this resolution could be obtained within the next four or five weeks.

It is the establishment of the committee which is important. The Speaker I presume would want to be represented on it. Indeed I do not think a committee of this nature could be established and report properly without some representation from the Speaker

and from the office of the Secretary of State. That is why I submit with deference to my hon. friend that perhaps instead of moving the motion he did he might well give consideration to the establishment of the committee. I think he would please most hon. members in so doing and certainly he would please the majority who have taken part in this debate. For these reasons I invite him to give consideration to the establishment of the committee as set out in the motion.

(Translation):

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, I want to say only a few words. I do not wish unduly to protract this discussion since the opportunity to support the request of the hon. member for Joliette-L'Assomption-Montcalm in favour of the establishment of a committee must be given not only to the government but to all the members of this house.

Some members opposite who have taken part in this debate have held that Mr. Speaker should be asked to make a personal study of this matter. I believe that the motion of the hon. member for Joliette-L'Assomption-Montcalm is very clear. It requests the establishment of a special parliamentary committee to study the means of establishment of a system of simultaneous translation. It is obvious that such a parliamentary committee must be made up of members who sit in this house, Mr. Speaker included, if he so wishes.

I can see no possible objection to the establishment of that committee. On the contrary, this proposal is a further argument in favour of the establishment of a simultaneous interpretation system.

I believe that the point made by the hon. member for Algoma East (Mr. Pearson) is the soundest yet. He pointed out that with simultaneous translation a speaker who wishes to take part in a debate can immediately take up a subject discussed by the previous speaker and continue the same discussion in his own mother tongue. I believe that is one of the soundest points made and one which we should stress when we ask the government to set up this committee so that the house may enjoy that improvement at as early a date as possible.

In my opinion it is a mistake to claim that simultaneous interpretation would prevent certain English-speaking or French-speaking members to practise speaking in a language other than their own. In fact conversation is the logical adjunct of French lessons, and this would be one way for those members who are studying French to find out immediately how they are coming along. To me, that seems a worthwhile argument.

When I was a boy and when I was learning to use a shotgun or rifle, I was told: "Watch out, the gun kicks". Well that gun has been kicking a great deal this afternoon, as I was listening to the speeches made by the members for Lotbiniere (Mr. O'Hurley) and St. Hyacinthe (Mr. Ricard), who expressed the opinion that in previous sessions the hon. member for Joliette-L'Assomption-Montcalm had not displayed the same zeal in this matter.

The motion proposed by the hon. member for Joliette-L'Assomption-Montcalm was put on the order paper during the last session. However, it never came up for debate because there were too many motions ahead of it, and those proposed resolutions must be studied one at a time and not all together. That is what is happening today. It so happens that his notice of motion is on top of the list. When there are 55 on the order paper, it would be unreasonable to require that they all be discussed at the same session. In fact, that is what happened to somebody who showed a great deal of zeal as regards family allowances during one particular election. I remember that a motion dreamed up by the hon. Solicitor General (Mr. Balcer) during an election in the constituency of Temiscouata, with regard to the increase in family allowances, never came up for discussion in the house simply because its turn never came.

I believe that my hon. friends from Lotbiniere and St. Hyacinthe should have remembered this kickback, before expressing doubts about the zeal of the member for Joliette-L'Assomption-Montcalm with regard to the discussion of his resolution.

Now, I understand that the session will perhaps soon come to an end. The hon. Minister of Public Works (Mr. Green) has stated that there is not much time left, and that we must deal with the other measures on the order paper before the end of this session. Everyone hopes that we might finish our work soon enough to get home for Christmas and New Year's. I perfectly understand the situation of the hon. minister, but it should have been anticipated that there would be discussion on certain notices of motion. The house has been given the privilege to discuss private members' motions for at least a day or two. It was to be anticipated. If there was such a rush, the house should have been asked not to waste a day or two on motions. It is up to the government and not the opposition to anticipate such a situation. However, I am convinced that a one or two day debate on those notices of motion will not delay the end of the session until after Christmas and the New Year.

I repeat, Mr. Speaker, that we should be given the opportunity to prove, as was done at the United Nations Organization and at the Junior Chamber of Commerce of Canada, that simultaneous translation is not only desirable but absolutely necessary.

If we are looking for a new bond to cement that national unity which we have so much at heart, there is no doubt that the speeches delivered today offer us such a bond in the form of a system of simultaneous translation, through which all members will be able to understand and follow the debates of this house.

(*Text*):

Hon. Paul Martin (Essex East): Mr. Speaker, I believe that the remarks of the hon. member for Laurier (Mr. Chevrier) should receive at the hands of the leader of the house the consideration which they deserve. I think that in a very important matter of this sort there should be as wide as possible an expression of opinion, and our thanks should go to the initiative and the imagination of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton).

(*Translation*):

I think we should congratulate him on his initiative and his contribution.

(*Text*):

I was not here when others spoke, but I am sure reference was made to the simultaneous translations at the United Nations. In this instance we are not asking for more than the two official languages; but anyone who is familiar with those simultaneous translations, including the Leader of the Opposition (Mr. St. Laurent), will agree that they are indeed a very effective and business-like way of carrying on the debates of the house.

Moreover, this particular suggestion, which calls for a study as to the advisability of setting up simultaneous translations, would be in keeping with the fact that there are two official languages in this house. As the hon. member for Algoma East (Mr. Pearson) said, it would enable many hon. members to follow discussions which, because of the lack of understanding of one of the languages, is denied them.

On all counts, there can be no doubt that the resolution in its present form is one that commends itself to the great majority of the members of this house and on that account I would hope that the government would see fit to accept it.

At six o'clock the house took recess.

[Mr. Gauthier (Portneuf).]

AFTER RECESS

The house resumed at eight o'clock.

(*Translation*):

Mr. Gerard Legare (Rimouski): Mr. Speaker, several more arguments could be adduced in favour of the resolution moved this afternoon by the hon. member for Joliette-l'Assomption-Montcalm (Mr. Breton), a resolution requesting the establishment of a committee to study the possibilities of setting up simultaneous translation in this house and in the parliamentary committees.

I am pleased to give my full support to the resolution moved by my hon. friend.

This afternoon, speakers stressed the usefulness of the system for members themselves, but I should like for a few minutes to insist on the advantages that the system would also have for listeners in the galleries.

When I attended the meetings of the General Assembly of the United Nations last year in New York I knew that a system of simultaneous translation was provided for the delegates but I did not know then that visitors in the galleries and the numerous visitors in the United Nations building in New York, could also follow, in their own language, the debates that were going on either in the General Assembly or in the various committees.

I also know that the Canadian government contributed financially to the installation of the system used in the United Nations building and I wonder why the many visitors that we sometimes have in this house could not also follow the debates in their own language. I remember once taking about fifty students to the galleries where they spent part of the afternoon listening to the debates. When I saw them again later that afternoon, I found that they were a bit disappointed because, as they were all French-speaking, hardly any of them had understood a single word of the speeches made. I conclude that it would be advantageous for the members as well as for the voters of Canada who come to the House of Commons in fairly great numbers if they had the privilege of following the debates in their own language.

It can be said that some organizations in this country have already benefited from this simultaneous translation in their national conventions. We know that, at their national congress, the chambers of commerce had made the discussions easier for their delegates by

means of such a system. I believe that one labour organization also insisted on providing its delegates at a national convention with a system of simultaneous translation. We might be surprised to know the number of national organizations which apply to the International Civil Aviation Organization in Montreal for the use of its hall, which is already equipped with such a system.

Well, Mr. Speaker, this afternoon, we heard only one member who was opposed to the establishment of such a system, because, according to him, it would be too costly; I refer to the hon. member for Vancouver East (Mr. Winch) who is, I believe, the only member of his party who has expressed his opinion in the house today, and who declared himself against the resolution of the hon. member for Joliette-L'Assomption-Montcalm. I hope that the other members of his party will not follow his example but will vote in favour of the motion.

The hon. member for Acadia (Mr. Quelch) also expressed his opinion on the motion, and if I may infer that the members of his party are of the same opinion, well, Mr. Speaker, we shall probably get the support of the members of his party.

I do not wish to extend this debate. I am pleased to offer my hearty congratulations to the hon. member for Joliette-L'Assomption-Montcalm and tell him that it is with very great pleasure that I shall vote in favour of his motion.

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I have no intention of delaying, by long remarks, the adoption of the motion which is now before the house. The resolution proposed by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton) reads partly as follows:

> That in the opinion of this house, the government should take into consideration the advisability of setting up a special committee of parliament for the purpose of considering the establishment of a system of simultaneous translation . . .

I agree, Mr. Speaker, that the establishment of a system of simultaneous translation such as suggested by the hon. member for Joliette-L'Assomption-Montcalm involves technical difficulties which we cannot discuss thoroughly, let alone solve, during this debate.

The only possible solution, the only logical procedure is that suggested by the hon. member, namely the establishment of a committee which would hear experts in the matter and scan from every angle the possibilities and advantages of a simultaneous translation system.

I need not repeat the arguments voiced by the mover and by those who rose before me to speak in favour of the establishment of the committee in question.

I agree that the favourable stand taken by so many members is further practical evidence of the recognition of the two official languages in this country.

(Text):

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to congratulate the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton) upon introducing a motion which, it seems to me, every member of the house should be able to support. It does seem that in asking to have a committee set up to study this question, he is asking something that is eminently reasonable. I would hope that the government would see fit to indicate that they would have no objection to having such a committee set up to carry out this study. I would hope that the committee would carry it out in a fashion to bring about some results. If the motion comes to a vote, I shall have great pleasure in voting for it.

(Translation):

Hon. Leon Balcer (Solicitor General): Mr. Speaker, I sincerely regret that I was not in the house this afternoon, for I am very much interested in this matter. Unfortunately I was detained elsewhere, for I had the honour of being one of the delegates of the federal government to the dominion-provincial conference which takes places in the railway committee room.

This morning, at this federal-provincial conference, I had the pleasure of hearing the Prime Minister of Canada speak in the two official languages of the parliament of my country. I also had the pleasure of hearing the premier of my province address the delegates in both languages.

This was not the first time that the Prime Minister of Canada spoke in French and, as usual, he did it with much dignity and with an accent which was more than adequate. Therefore, I want to offer him my heartfelt congratulations not only for his effort and this determination of his always to express himself in the two languages of Canada as often as opportunity offers, but I want to congratulate him on the example he thus sets our young Canadians.

Mr. LaCroix: Mr. Speaker, I rise on a point of order. We are now discussing the motion submitted by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton). The hon. member is obviously telling us what

took place this morning at the federal-provincial conference, which has no connection whatsoever with the motion under discussion.

Mr. Balcer: Mr. Speaker, the hon. member for Quebec-Montmorency (Mr. LaCroix) is protesting because I have now been speaking for about two minutes on a motion regarding which several of his colleagues have taken the time of the house to make known their views, but I sincerely believe that we have the right to speak...

Mr. Gauthier (Portneuf): On the motion.

Mr. Balcer: ...on the motion before the house. I think that his point of order is altogether uncalled for.

Mr. Villeneuve (Roberval): It is up to Mr. Speaker to decide it.

Mr. Balcer: I am convinced, Mr. Speaker, that you will agree.

I was saying, that the Prime Minister made a point of speaking French at every opportunity and that he respects the French language, which is a fine example to be given to young Canadians; and his example has been followed by several English-speaking members of my party, and during the debate on the address in reply to the speech from the throne, and ever since, they have addressed this house in French and have managed to do so most creditably. I hope this is only a beginning, and that more and more of our English-speaking colleagues will address the house in French.

Bilingualism is gaining ground every day in Canada, progressing quietly but surely, which constitutes the best way to achieve our national unity.

If we want to live in a prosperous country, a progressive country, it is essential that we should understand one another. There is no better way to be understood by one's own fellow-citizens than to learn the language of other races in our country. Many errors could be avoided if people were always able to understand one another.

You know, Mr. Speaker, that both languages, English and French, are official in the parliament of Canada. This was the wish of the fathers of confederation, a wish always fully respected by all political parties and all governments which have succeeded each other since confederation. Unfortunately, it is inevitable that most of our French-speaking members are somewhat reluctant to address this house in their mother tongue for they know full well that a great many of their colleagues cannot understand what is being said and have to wait until the next day to read the translation of the debates. That is also why English-speaking members who cannot speak French regret their inability to understand and follow with interest the statements and contributions of their French-speaking colleagues, and this is very often a source of confusion which can give rise to misunderstanding and very unpleasant consequences.

As a matter of fact, it is not the first time that the question of simultaneous translation has been brought up in this house. Every year, motions, resolutions or contributions are introduced either during the debate on the speech from the throne or the budget debate. But, unfortunately, for the past 20 years, the efforts of the members, under the former government, have always been unavailing. The matter was brought up very often, but the government never saw fit, useful or necessary to take measures to instal such a system.

I am glad tonight to see that the members of the former government, which had not seen fit to bring these improvements to the House of Commons, rise one after the other to stress the necessity of that measure and how glad they would be to see it adopted.

As far as I am concerned, I have already spoken on this matter several times.

Mr. Gauthier (Portneuf): You also spoke on family allowances.

Mr. Denisel: Would the hon. minister allow me a question?

Mr. Balcer: Certainly.

Mr. Denisel: Is the hon. minister himself also in favour of this motion, like the others? Yes or no?

Mr. Villeneuve (Roberval): He has not made up his mind yet.

Mr. Balcer: If my hon. friend would have a little patience, I will come to the question before the house.

Mr. Gauthier (Portneuf): We have been waiting for a long time.

Mr. Balcer: Mr. Speaker, I was expressing my admiration just as was done by the ministers of the former government who have now come to the conclusion that such a measure could be useful and could promote national unity.

However, such a system has already been tried for some years by all the great international organizations of which Canada is a member. Thus, at the United Nations, there is a system of simultaneous translation in the five official languages of that organization. I really believe that if it was found possible to establish such a system at the United Nations, for simultaneous interpretation in five different official languages, it would be equally possible to establish the same system for the two official languages in this house. This system which was installed in the United Nations is, as a matter of fact, the same as will be found at NATO and at different international gatherings.

In Canada it is at present used for various meetings of chambers of commerce, industrial groups and others. It is generally agreed that it does away with a great many errors and allows Canadians to know each other better by making it easier for them to express their own ideas in their own native tongue.

As you know, there was a meeting last summer of the International Postal Union, here in Ottawa. A system of simultaneous translation had been installed in the House of Commons for that meeting. Once this conference was over, the government considered the possibility of keeping that system permanently. Unfortunately, that system had been made specially for that conference. Moreover, it had been installed hastily, it was much too cumbersome and it would really have altered the appearance of the House of Commons. It was then that the matter was referred to the internal economy committee of the house, where it is under consideration. We are following on this matter the very procedure that was followed when the microphone system which we now have was installed. I well remember that for years members in various parts of the house had been complaining about the acoustics. Unfortunately, several members were afraid that the installations of a microphone system would mar the appearance of the house and that is why the solution of the problem took so much time.

The house is provided with an amplifier system which, although detracting to some extent from the beauty of this chamber, allows us to hear clearly the speeches being delivered, and although this system is rather costly, generally speaking, the business of the house is being carried on much more efficiently. For this reason, the study of a simultaneous translation system for the house has been entrusted to the internal economy committee, which had already considered the establishment of our amplifier system.

It is purely and simply a technical question. We are all in agreement on that. All political parties in the house recognize the official use of both languages here. All members recognize that each and everyone of them has the right to address the house in either one of our two official languages.

The matter now before the internal economy committee is not one that concerns bilingualism but rather the technical aspect of the problem. It is a matter of determining what system of simultaneous translation would be the best for the house and what the cost would be of such a system. We must also find out whether it would be possible to use the present public address system. The thing is to know if we are going to have a system including devices as heavy as those that were installed at the United Nations five or six years ago or smaller sets which can be fitted over the ears and are nearly invisible. We must also determine what type of installation we are going to have for oral translation, how many interpreters would be required and what salary they should get. All these matters have now been referred to the internal economy committee. So far the committee has gathered a good deal of information and it shall continue to study the matter. I hope it will be in a position to submit a report to the house at the earliest opportunity.

The resolution now before the house asks that this matter be referred to a committee of the house. Well, Mr. Speaker, this session will be of short duration and there would be no point in setting up committees, since within three or four weeks the session will be over. All those who are anxious that such a new step be taken should have confidence in the internal economy committee. Besides, that was the body which gave us the amplifier system we now use and it will be the one, I am convinced, to give the house a system of simultaneous translation.

The motion now before the house calls precisely for what the internal economy committee is now achieving. I do not see how the setting up of a committee of the house of Commons would in any way hasten this project, for we know from past experience

that a committee of the house, where all parties are represented, always takes some time before it gets going and that it follows a rather complicated procedure, during which each member wants to express his own views, which generally leads to a lengthy debate. This is a purely technical, and not a political matter.

Everybody is agreed on the constitutional question of bilingualism in this house. This is simply a matter for experts. The aim is to get technical information such as only engineers can give. I do not know that fifteen or twenty members of parliament seated around a table, who are all in favour of simultaneous translation and listening to information by experts in acoustics or in simultaneous translation, can possibly hasten the introduction of some system of simultaneous translation, which everybody in this country looks upon with such favour and which could render such excellent service. The setting up of such a committee would probably delay the study of this matter.

I sincerely believe that we are going in the right direction and that the internal economy committee will be in a position to submit a technical report to the house, and I am convinced that before long we shall have in the house a simultaneous translation system, so that the principle of integral bilingualism in the Canadian parliament may cease to be a mere theory in the constitution to become a practical reality.

I sincerely believe that this would help Canadian unity, as well as the debates, for it is highly advantageous that everyone should be understood at once without having to wait until *Hansard* is translated; it often happens as we know, that due to certain circumstances, the French copy of *Hansard* is published with a few hours' delay. I am convinced that it is possible to find technical means which will allow simultaneous interpretation to be given in this house without changing in the least its traditional appearance.

For this reason, Mr. Speaker, I am in favour of such a system and I would like to ask all those who have spoken so far to have confidence in the house's internal economy committee. I am convinced that before long there will be simultaneous interpretation in this house when the board's report is brought down.

Mr. Chevrier: Will the Solicitor General allow a question? Does he not think that all the points he has just made with regard to the internal economy committee would be just as valid with regard to the setting up of a special committee of the house, such as the one suggested by the hon. member?

Mr. Balcer: I do not think so and I think I have explained that. I cannot see why a strictly technical question based on reports submitted by engineers and specialists in acoustics can be more readily decided upon by a committee of the house made up of laymen who have no knowledge at all of the matter.

Mr. Gauthier (Portneuf): Laymen? Are members laymen?

Mr. Balcer: Yes. Does the hon. member for Portneuf by any chance think he is an expert in acoustics and simultaneous translation?

Mr. Gauthier (Portneuf): No, but I could question the experts though, and I could do that as well as the members of the internal economy committee.

Mr. Balcer: That is just the point, Mr. Speaker. The hon. member for Portneuf could very well do that if he were a member of that committee.

Mr. Gauthier (Portneuf): Where are the experts in the internal economy committee?

Mr. Balcer: The experts could discuss that matter with the members of the internal economy committee.

Mr. Gauthier (Portneuf): And with us too.

Mr. Balcer: But, if you are 25 around the table, it will take three weeks to set up the committee in the first place and this session will not last more than three weeks now.

Mr. Gauthier (Portneuf): It takes five minutes to set up a committee.

Mr. Robichaud: Who are the members of the internal economy committee whom the hon. Solicitor General has mentioned here in the house?

Mr. Balcer: They are the Speaker of the house (Mr. Michener), the Minister of Finance (Mr. Fleming), the Minister of National Revenue (Mr. Nowlan), the Secretary of State (Mrs. Fairclough)...

Mr. Gauthier (Portneuf): What experts!

Mr. Balcer: And your humble servant.

Mr. Gauthier (Portneuf): Some experts!

Mr. Breton: Mr. Speaker,...

Mr. Chevrier: Would the Solicitor General mind if I intervene?

Mr. Balcer: Is it a question or an intervention?

Mr. Chevrier: I do not want to prevent the Solicitor General from making the allegations he just made, but I should merely like to point out to him that, during his absence, three of his colleagues on the government side took part in the debate and that not one of them suggested that this matter be referred to the internal economy committee of the house. On the contrary, they did not say a word about it.

Mr. Balcer: Precisely. I wanted to give an explanation and say that this was as far as the study of this matter has gone. The best way of speeding up the consideration of this matter is precisely to leave it to the internal economy committee of the house. Referring the consideration of this resolution to a committee of the house where the debates are interminable would certainly not hasten the solution of the problem. A report could certainly not be submitted before the end of this session.

Mr. Gauthier (Portneuf): Congratulations for your appreciation of the members of this house.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I regret that my knowledge of French is so limited. I hope one day to be in a position to use this language as fluently as our French-speaking colleagues use my own language.

For the time being, it is better for me to continue my speech in English.

(Text):

I am sure that if any of my French speaking colleagues understood what I have said, they will agree with that last sentence. Indeed that effort of mine may be proof that we need simultaneous translation in this House of Commons. On the other hand, it might also prove that it would sometimes be very difficult for an interpreter to figure out what had been said.

Mr. Speaker, as has already been indicated by my colleague the hon. member for Vancouver East (Mr. Winch) some of us do have certain doubts about the wisdom or desirability of a simultaneous translation system for this House of Commons. The reason for these doubts has already been expressed—some of us fear the innovation might have the effect of making debates in this house too mechanical. We fear, also, that it might discourage some of us whose mother tongue is English from trying to learn the other official language of this country.

We are also somewhat amazed, as are hon. members opposite, at the great interest now being shown in this question by supporters of the Liberal party, in view of the silence they held on this issue in years gone by. However, Mr. Speaker, what is before us, while it is to a large extent a discussion of a simultaneous translation system, is only a motion that the government give consideration to the setting up of a committee to give further consideration to the matter, and it seems to me that whether one is for or against the installation of a simultaneous translation system it is only fair to have the matter looked into by a committee which could make a much better study and examination of the matter than can be achieved through the kind of discussion we are having today.

I was a little surprised at the stand taken by the government as expressed by the Minister of Public Works (Mr. Green) and also by the Solicitor General (Mr. Balcer) on this matter, namely that it should not be referred to a committee, but rather that we should trust the various departments of government which are looking into the question to go into it satisfactorily. I suppose we will have occasion many times to come back to a phrase which was used a good deal during the election campaign—"the supremacy of parliament".

As far as the arrangements of the House of Commons are concerned, surely that is something for the House of Commons as a whole, rather than for the government to decide. I realize that if the expenditure of money is involved then the government has to come into the picture, but at the initial stage, namely the studying of the question to decide whether or not hon. members as a whole will want to look further into this proposal, I suggest that parliament should be supreme, and that this investigation should be undertaken by a committee of the House of Commons rather than leave it to a department or departments of government.

You will notice that I do not speak in the same terms with respect to the fact that Your Honour is making a study of the question. You, sir, are the servant of the house and I put your study in a different category from the study being made by any department of the government. It seems to me that the very fact that Your Honour is making a study of the matter puts it down as a parliamentary question and infers that there should therefore be a committee of parliament, with Your Honour as a member, to examine into this issue.

I speak as one who is not yet convinced that a simultaneous translation system would be a good idea. I am concerned about the

mechanical results that might be produced. I think, too, that some of us might lose the incentive to acquire greater facility in the other official language.

But in the meantime, because of the interest shown in the question on all sides of the house, I think that no matter what our views may be on the ultimate question we should be able to get together with regard to the desirability of having a committee look into the matter. As I indicated by the question I put to the Minister of Public Works when he was speaking, I do not feel that it is any serious objection to the motion to say that there is no time for a committee to be set up at the present session. The motion does not ask for that. The motion asks for consideration to be given to the setting up of a committee. If the motion were agreed to at this session, its intent could still be carried out at a future session, if the government were so disposed, after giving the matter consideration.

So, Mr. Speaker, I hope we will not be carried away from the terms of the motion, but, rather, that we will remind ourselves that all it proposes is that a committee be directed to look further into this matter. Surely that is a reasonable request.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I have just a brief word to say. I have had some experience with resolutions. In 1937 I had a resolution before the house and there was a full dress debate on health insurance. I had a resolution on last session dealing with increased pensions for retired civil servants. I have one on again this session, and I expect it will be successful.

The object of bringing in resolutions is to place before the government something which is a national wrong and which ought to be corrected. No matter what party is in power we like to think that the government consists of reasonable men and women, and that it wants to correct the country's wrongs. The hon. member who has proposed this resolution has called the attention of the government to this question, which he considers to be of great importance.

As I said, Mr. Speaker, with regard to resolutions the best one can expect is that the government will give consideration to the matter raised. The hon. Secretary of State (Mrs. Fairclough) has risen and had her say. The best we can expect from any government is that they will give consideration to the matter raised. Having considered it, they can say yes, or they can say no; it is their responsibilty. I congratulate the hon. member concerned for bringing in this resolution because I did not think it would keep going an hour, and it has kept going for three hours. Therefore, it must be of national importance.

[Mr. Knowles (Winnipeg North Centre).]

(Translation):

Mr. C. N. Barbes (Chapleau): Mr. Speaker, I wish to say a few words, very briefly, on that question. We hear more and more about co-operation and understanding between those who speak English on the one hand and those of French origin on the other. I very warmly congratulate the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton) for having introduced a motion which will promote bilingualism, an essential factor of progress and unity in Canada.

It is very important, Mr. Speaker, that our requests be heard and understood, as soon as they are made in this house, by each and every member of the cabinet, whether these petitions be made in the French or in the English language.

The motion of the hon. member for Joliette-L'Assomption-Montcalm seems to me to promote in that way that national unity which we have so much at heart. Moreover, it should not raise any controversy and, even if the question of cost should be held against it, let us not forget that it would be much better to spend money in that way to promote national unity than to spend it, for example, for lighting around the parliament buildings, which only pleases the eyes of everybody.

Mr. Raoul Poulin (Beauce): Mr. Speaker, I must say that I had no intention of taking part in the debate when the motion was introduced this afternoon. It is not that I am not interested in the question, quite the contrary—and I will try to prove it to you in a moment—but I just thought that the motion had been well introduced by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton). I also thought that the discussion was getting on fine, that everything was apparently going very well, until I started to wonder whether some were not—and I am not thinking of anyone in particular—repeating here the same tactics used in the past, under which an important number of members of the house speak emphatically in favour of motions and end by talking them out, as we say.

Such being the case, I believe I should say a few words, not, of course, to come to the assistance of those who might have had the same idea, but simply to mention the fact

that we did understand perfectly what has gone on before with regard to certain bills introduced in this house.

I mentioned at the beginning that I did not lack interest in this matter, on the contrary. Now if you look back in the *Votes and Proceedings* of this house for October the 15th, you will see that under the heading question No. 17 I asked the following:

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?

On October 18 the house received the following answers given by the parliamentary assistant to the Minister of Public Works (Mr. Hodgson). The first question was as follows:

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?

Here is the answer:

$33,529.

The second part of that question was the following:

Since the system was set up, what was the annual cost of its maintenance and operation?

Here is the answer:

Maintenance and operation, $20,000 per annum. Rental, $7,500 per annum.

That is $27,500 a year. To put it briefly the present amplification system cost $33,529 and its present maintenance cost is $27,500.

I also asked the following question which will be found in the *Votes and Proceedings* for October the 15th:

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? What was the maintenance and operation cost thereof? Were the results obtained satisfactory?

Now then, seven days later, on October 22, I received the following answer. Of course, I spare the house the reading of the whole answer, which is rather long, and I summarize it thus: the cost of installation was $50,000.

To the question:

During how many weeks was the system in operation?

the answer was:

Seven weeks and two days.

To the question:

What was the maintenance and operation cost thereof?

the answer was:

Approximately $11,500.

To the question:

Were the results obtained satisfactory?

the answer was very precise, concise and unequivocal, namely:

Yes.

This afternoon, the Postmaster General (Mr. Hamilton) gave us a fairly good explanation—I would even say a very good explanation—and said that the installation made for the postal congress this fall was a temporary one. I notice here that, according to the report, the results were excellent. This means that if the results were excellent with a temporary installation, there can be no doubt that they could not be inferior with a permanent installation. To my mind, that seems clear enough and, though we are not experts and need a committee which could no doubt cast light on all these problems, I believe I can say that those are indisputable conclusions.

And now, Mr. Speaker, the hon. member for Vancouver East (Mr. Winch) has, if I understood him rightly, given us some indication of rather astronomical figures with regard to the probable cost of setting up or maintaining such a system as the resolution before us calls for. Well, if we refer to both answers to my questions, we might conclude that the installation and maintenance cost for the proposed system would perhaps not differ very widely from the installation and maintenance cost of the present amplification system now operating in this house.

For instance, we find, in comparison, that the cost of our present amplification system amounted to $33,000, whereas the installation of the system for simultaneous translation used last fall during the Postal Congress, cost $50,000. I might be told that between $33,000 and $50,000 there is a considerable margin. I admit there is. For an individual, an amount representing the difference between $33,000 and $50,000 is something considerable, but I submit that for a government, it is a relatively small amount, especially when it is for setting up a system which should promote the mutual understanding which already prevails, but which no doubt we should be interested in furthering still more.

As for the maintenance cost, it was, as I pointed out, $11,500 for a period of about 7 weeks and 2 days, which comes to about $6,000 a month. If we agree that the operation and maintenance cost of the suggested system would represent a very small amount when the house is not sitting, if we agree also that

our sessions last from 6 to 7 months a year, we must conclude that the maintenance of that system would cost $35,000, $40,000 or perhaps $50,000 a year, an amount which is not yet exceedingly far from the $27,700 spent on the present amplifier system.

I may quite possibly be wrong, Mr. Speaker, the more so since I have never been an expert nor a wizard at figures, but this may be another reason for us, the humble members who are but laymen in that field, as has been said a moment ago, to urge that this house be given a committee in which we, the laymen, of course, could appear and also question experts who would no doubt be very glad to enlighten us.

It is the hon. member for Roberval (Mr. Villeneuve), I believe, who so aptly said this afternoon how important it is that the people who wish to attend our debates from time to time in the galleries should understand what is going on in the house. Everyone knows that people come occasionally from each of our constituencies either on business trips or simply on pleasure trips. They are very glad to take advantage of the opportunity to visit the house in order to see what is going on here, but many of them do not understand what is being said.

I know very well that the ideal for all Canadian citizens would be to understand both of Canada's official languages; the ideal would be that all English-speaking Canadians should speak and understand French and that all the French-speaking Canadians should speak and understand English. We must face the fact that there are exceptions on both sides. There are people of English origin who do not understand French and, on the other hand, French-speaking citizens who do not understand English, but they have the same right to come here as anybody else. It seems to me that it would be logical that those people who come here, many of whom, as I have said a moment ago, travel considerable distances to come and see what is going on, should understand the members and get somewhat into the atmosphere of the debates which they attend so that they may go back home with an excellent impression of what goes on in the parliament of our country.

It has been said—I am not the first one to say it—that a certain number of these good Canadian citizens whom we cannot blame for not knowing both official languages, return home with a bad impression of their visit of the capital of their country and particularly of parliament.

If the resolution before the house were adopted, it would no doubt be an excellent means of answering the legitimate expectations of those Canadian citizens; it would be, as has been said and as I repeat, a means to promote understanding.

Mr. Speaker, during the debate which followed the introduction of this notice of motion, I have been happy to find that all English-speaking members of the house have been very kind towards French Canadians; they have shown much goodwill and understanding. This is encouraging for the future of national unity. I am glad to emphasize that fact and I repeat that if we accept this motion for the establishment of a committee, we will have made another step towards understanding.

Now, I am not qualified to decide whether a committee of the house such as is proposed by the resolution would be in a better position to study that question than our own internal economy committee.

I have no doubt, Mr. Speaker, that since you are heading that committee yourself the discussions are proceeding rapidly and that highly qualified experts must have come before it. In fact I should think that committee already has a fairly good idea of the situation and would even be in a position to tell us exactly the point it has reached in its examination of the matter.

But would it not be a good thing if some members of this house, in a house committee, were provided with an opportunity to take part in this fine debate, to put forward their suggestions, express their own views as well as those of their constituents? Mind you, I have every confidence in the qualifications of the ministers who sit on that committee but still I think that I would not be exaggerating were I to say that these ministers might not be in a position to express in that committee the exact thoughts of the electors of the various constituencies of this country. I submit then that a much better way of arriving at the results proposed would be to set up a committee of the house to study the matter and to hear the opinions of the taxpayer in that regard.

In any event, Mr. Speaker, I see that I have spoken longer than I wanted to. I might repeat at this point that having noted the strange turn taken by the debate, I felt I should take this opportunity of adding my humble voice—I should not say to bring to the house my humble lights since those hon. members who have already spoken in

this debate have been displaying most incandescent lights indeed, but, still, I did want to state my humble opinion on this matter.

(*Text*):

Mr. Leduc (Verdun): Mr. Speaker, I rise on a point of order. Section 29 of the Standing Orders reads as follows:

When two or more members rise to speak, Mr. Speaker calls upon the member who first rose in his place; but a motion may be made that any member who has risen "be now heard", or "do now speak", which motion shall be forthwith put without debate.

Therefore, Mr. Speaker, I do move, seconded by the hon. member for Saguenay (Mr. Brisson):

That the mover of this motion, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton), do now speak.

Mr. Green: Mr Speaker, on the point of order, there is already a motion before the house by arrangement this afternoon. In addition to this being a very strange motion, it is not in order.

My hon. friends across the way talk about closure and accuse us of trying to bring about closure. Here we have the position where the mover of this original resolution has already spoken. While there are other members who wish to speak one of his friends on his side of the house rises in his place and moves that he must now be heard for a second time. I submit that that is completely out of order. As a matter of fact, nobody is permitted to speak twice in a debate unless it may be that the mover can speak in closing his debate. Certainly, there is no rule which says a person can introduce a motion and then, after the debate has gone on for a certain length of time one of his friends can get up and move he is to speak again. If those were to be the rules under which this house were to conduct its business, then the whole process would become a farce. I suggest the hon. member's motion now is out of order.

Mr. Chevrier: On the point of order, may I say this. I object to the use of the word "closure" by my hon. friend the house leader because I think I could return the compliment to him. His attempt this afternoon was more an attempt at closure than anything done by the hon. member here.

Mr. Speaker: Order.

Mr. Green: On a question of privilege—

Mr. Speaker: Order. I think the remarks made by the Minister of Public Works (Mr. Green) were not strictly to the point of order, but that does not excuse the hon. member who is now departing from the point of order. There is a point of order before the house and I will hear the hon. member on that.

Mr. Chevrier: I will accept your ruling on that, but I rose to point out to the hon. member, in answer to his statement that the hon. member for Verdun (Mr. Leduc) was moving a motion that was tantamount to closure, to say this. I understood this afternoon when we were discussing this matter, that the motion for adjournment would stand in suspense until several of our members on this side of the house had had an opportunity to speak.

Mrs. Fairclough: Everybody who wanted to speak.

Mr. Green: What do you mean "on this side of the house"?

Mr. Chevrier: My understanding was that because of the shortness of the session, the hon. member was hoping there would be an opportunity of disposing of this before ten o'clock. If that was the intention the leader had in his mind, it was certainly what I had in my mind, and what the hon. member for Verdun is doing is simply facilitating that.

Mr. Speaker: I do not understand that there is any other motion before the house except the motion which is being debated. I was not in the house when the Minister of Public Works spoke, but on the assumption that we are debating the motion on the order paper I feel that I should dispose of the point of order which has been raised.

Mr. Chevrier: May I point out to you, with deference, that there is something else before the house.

An hon. Member: Sit down.

Mr. Chevrier: Does anyone want to speak? If he does, let him rise on a point of order. I am discussing the point of order now, and I ask to be heard.

Mr. Broome: On the point of order, Mr. Speaker, the hon. member for Laurier (Mr. Chevrier), when he asked whether this amendment could be deferred did not say simply members on that side of the house but members who had not so far taken part in the debate and who wished to speak. I took the reference to mean all members.

Mr. Chevrier: May I be heard? What I was pointing out when I was interrupted on the point of order was that there is something else before the house. I say this to you with deference. There was a motion moved by the leader of the house to adjourn the debate and at my request, because there were some members who had not been heard, he consented that they be allowed to speak in the debate. However, the motion is still

there. It was moved by the Minister of Public Works and seconded by the Minister of Labour (Mr. Starr).

Mr. Green: Mr. Speaker, surely the hon. member for Laurier is not now suggesting that no one in this house was supposed to carry on except Liberal members; that is a brand new idea. I am amazed at him bringing that up. I did agree to let my motion to adjourn stand so that the debate could continue, but there was certainly never any intention that no one except Liberals should speak. This is Liberal rule—

Mr. Chevrier: May I ask a question?

Mr. Murphy (Westmorland): There are no Liberal rules, and you know it.

Mr. Chevrier: If there were any members on the other side of the house willing and anxious to speak at the time, why did the hon. member move the adjournment of the debate?

Mr. Green: As I explained this afternoon, I thought the mover of the motion was about to close the debate. He stood up then, and he had no right to stand up if he was not going to close the debate. If I had not spoken at that time, I could not have spoken at all. Then, when I found that was a mistake and the hon. member for Melville (Mr. Gardiner) wished to speak, I made it possible for anyone who wished to speak to do so rather than go ahead with my motion to adjourn. Now, I am just a little surprised that that action of my own, which was taken to help hon. members and give an opportunity to those who wished to to speak, should now be thrown back at me and the suggestion made that only Liberals were to speak.

Mr. Chevrier: It is not thrown back at you.

Mr. Speaker: As I say, I was not in the house when the motion was made by the minister. This motion was not proceeded with, and was not put from the chair, so I take it that we are now debating the original motion which is on the order paper. The point of order which was raised by the hon. member for Verdun under Standing Order 29 seems to me to be out of order because he overlooks Standing Order No. 37 which provides that when the hon. member who moved a motion rises to speak, I must inform the house he is closing the debate. In effect, we have a motion before the house that infringes the rules. It is a motion that the hon. member be allowed to speak twice on his own motion, otherwise he would be closing the debate and depriving members of the opportunity to speak. I must rule, with due respect to the hon. member for Verdun, that the motion is out of order and that the debate continue until there is a motion properly before the house which supersedes it.

Mr. John Pratt (Jacques Cartier-Lasalle): Thank you, Mr. Speaker. I believe that the Postmaster General (Mr. Hamilton) and myself were the only English speaking members elected to this side of the house from the province of Quebec.

An hon. Member: What about O'Hurley? He is an Irishman.

Mr. Pratt: I am not saying that this is a good thing or a bad thing; I am not attempting to interpret it. As a matter of fact, Mr. Speaker, I am neither English nor French; I am an Irishman. Naturally, being Irish I want everybody in this house to know it. As a matter of fact, I had the privilege and pleasure of visiting Ireland this summer. I travelled from Dublin to the west coast, to Galway and from north to south. I made the very interesting discovery that Ireland also is a bilingual country and it also has its troubles. I found that there were many people who did not speak the Irish language, but they nevertheless endeavoured to make signs look Irish by writing the word "bus" with letters that appeared to be from the Russian alphabet.

Seriously speaking, as an English speaking member from the province of Quebec I think what I have to say may carry a little more weight than if I were a French speaking member. I just want to take this opportunity of saying that in Quebec I have always received the utmost courtesy in the use of my language. I have not been in politics very long. I became an alderman in a small town council in 1952, in which the majority of the members spoke French. They never failed to extend to me the courtesy of making sure I understood everything that took place. Since then, I have become mayor of the city of Dorval. Most of the business is conducted in the English language, although practically 100 per cent of the staff is French speaking. I want to take this opportunity to tell the house how much I appreciate this fact.

Therefore I would welcome the opportunity to reciprocate and I heartily support the idea of a simultaneous translation system for this house. I think it would be well suited, particularly for members on the floor addressing the house and also for French speaking visitors in the public galleries who may not have a command of the English language. Later we could perhaps instal such a system in committees if it were found necessary and practical so to do.

Of course such a system would require earphones as we would still want to hear the speaker in his original language and in person, as was pointed out by several speakers earlier today. The expense would be great and this is an economy-minded government. But we must be generous where language and understanding are concerned because without such understanding we have chaos, the democratic processes are slowed down and the business of the house is rendered much more difficult.

I am sure also, Mr. Speaker, that such an idea is actually only an extension of the original intentions of the men who drafted the British North America Act. However, there seems to be wide divergence of opinion as to the costs involved and the methods required for the greatest efficiency in the operation of such a system. I am given to understand that some investigation is already being made into the feasibility of installing such a system. Personally I shall be most interested in hearing more about the technical and financial aspects involved. As far as the principle of installing a simultaneous translation system in the house is concerned, may I take this opportunity to say that I am 100 per cent in favour of it.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I have been told that this resolution is one of the hardy perennials which has appeared time after time.

Some hon. Members: Oh no.

An hon. Member: You are wrongly informed.

Mr. Broome: I said I had been told.

Mr. Hodgson: This is one the Liberals had on the shelf for a long time.

Mr. Broome: Regardless of that, it has much to commend it but there are certain doubts in my mind with respect to whether this is the proper answer to the problem. I do not see how people can be united by means of a mechanical device. Unity in this nation will come about through understanding between the two races, and I believe that understanding can best be advanced by the members of the house trying to learn the language of their colleagues of the other race.

I was very much taken when the hon. member for Laurier (Mr. Chevrier) said that on his return to the house after three years absence he was amazed at the advancement which had been made by his French speaking colleagues in mastering the English language and conversely by English speaking colleagues in mastering the French language. I saw a newspaper report the other day which stated that the members of the present cabinet were more bilingual than those of any other cabinet in the history of Canada. I believe there are some eight members of the cabinet who range in their mastery of the French language from being absolutely bilingual to the valiant and precocious attempts of the Minister of Agriculture (Mr. Harkness).

An hon. Member: You are in strong there now.

Mr. Broome: But the point, Mr. Speaker, is that he makes an attempt. That is the bridge that brings about a feeling of oneness. I think that a bond which tends to unite us will be broken by an earplug which will divide us. It is not only a question of our contacts and what we say in the house but what we do outside the house. In many constituencies hon. members have both French and English speaking constituents. This attempt, if not to become facile in both languages at least to be understood in the language which is not one's native tongue, is something that I think we should cherish and try to develop.

When the hon. member for Parkdale (Mr. Maloney) spoke in the debate on the address in reply to the speech from the throne I can well remember the applause he got from the other side of the house. He had worked hard on putting part of his speech into French and those members for whom French is their native tongue appreciated and admired what the hon. member had done. I should like to say that it is amazing and intriguing that after 22 years hon. members on the other side, who had tremendous influence in various governments and over long periods of time, have suddenly become so intent on this measure and so preoccupied with it. For instance, the hon. member for Rosthern (Mr. Tucker), who is one of the veterans of the house, has been in the house since 1935, I believe, with the exception of a short period when he took over the leadership of the Saskatchewan Liberal party. After all that length of time he has suddenly realized now that simultaneous translation is the sort of thing we should have had a long time ago.

The hon. member for Melville (Mr. Gardiner) has indicated that perhaps technological developments in the last few years have made this possible. This device is as old as the telephone; it is nothing new. It has been here all the time. It is simply that the attitude has changed and it has changed with remarkable celerity and unanimity. It has been said that we would learn French by listening. I doubt very much whether anybody learns simply by listening. We learn by wanting to do it and by wanting to do a job in that regard. What is happening on this side of the house and the other side is that hon. members are working at trying to

understand the language and thus understand the people of the other race. That is something that is much more important, much more to be cherished and built upon, than this mechanical gadget which will let me hear exactly what a member has to say at a particular moment. I think we are taking the pewter mug and throwing away the gold. I think this would tend to divide the two races rather than unite them. For that reason, Mr. Speaker, I believe that this is not a good motion, not good for the house and not good for the people of Canada. I sincerely believe that and I will vote against it.

(*Translation*):

Mr. Neree Arsenault (Bonaventure): Mr. Speaker, I would not want to miss this opportunity of raising a matter which has not been mentioned during this debate. The matter of bilingualism is a very important one, and I may say, through my own experience, that although I know some English, I find it rather difficult to follow everything that is said in this house.

It should be kept in mind that about 35 p. 100 of the population of Canada is of French origin, and that in this house, at least 90 p. 100 of the debates are carried on in English. Furthermore, when exchanges take place at a rapid rate, or when a member speaks a little too quickly, several members —I, for instance—sometimes miss the essential point of a speech. That is why we should not compare the necessity of bilingualism to simultaneous translation and the cost of installing such a system. Even if the figures quoted this afternoon, namely $40,000, $50,000 or even over $100,000 appear fabulous to us, they should not constitute an obstacle to the setting up of a system of simultaneous interpretation in the House of Commons.

The rights of bilingualism have been defended ever since Canada was a colony, and the opportunity given us today of enjoying the discoveries that scientists have made should not be denied to us by mere considerations of cost and thus prevent us from having immediately a system of simultaneous interpretation in this house. I was heartened a few minutes ago by the words of the Solicitor General (Mr. Balcer) because they assured me that the government itself was considering the matter and that consequently it was not necessary to establish another committee to complete consideration of this question. The matter is under consideration and it is recognized that simultaneous interpretation is absolutely necessary in this house.

It is also important to point out another matter which could be of great service to our parliamentary correspondents. If we had simultaneous interpretation, all correspondents would hear the same translation and would report to the public the discussions as they were held in this house.

Mr. Robichaud: Nonsense.

Mr. Arsenault: The nonsense comes from the other side of the house. I was much grieved a few minutes ago, while the Solicitor General was speaking of the serious efforts of the Prime Minister (Mr. Diefenbaker) to learn French, to hear someone on the other side of the house burst out laughing. This touched me deeply and this is the reason why I say that the meaningless utterances are coming from across the house.

Mr. Speaker, I strongly support the request for the establishment of a simultaneous translation system. I hope we shall have it soon; it will allow not only the members, but the parliamentary correspondents, the people coming to visit us and our friends who do not speak English, to follow the debates with much more interest.

(*Text*):

Mr. M. J. A. Lambert (Edmonton West): In rising to speak on the resolution before the house this evening I approach it from the point of view as a neutral since, having as I do have a command of both languages I do not suffer as undoubtedly a number of members of this house suffer when listening to speeches in a language which is not their own. I can fully understand that those who come from the province of Quebec and who hear speeches in the varying tones and accents of English—and in making this statement I do not cast any reflection on other hon. members for I admit I am to some extent in this category myself—such Quebec members may find a little difficulty in understanding some of the accents with which English is spoken in this house. As I say, I do not reproach hon. members in this respect, but there it is. I can fully appreciate that those members whose mother tongue is French but who have, shall we say, a working knowledge of the English language, might have considerable difficulty in following the full sense of some speeches.

Now if, on the other hand, we look at the other side of the question when hon. members are listening to speeches made by one of the hon. members from the province of Quebec, particularly when they get wound up—and here one must pay tribute to the heights of eloquence which some hon. members from that province can reach—English

speaking members, in turn, do get completely lost. Therefore the tendency is for those members to slip behind the curtain into the lobbies because it must be admitted that it sometimes gets pretty boring listening to something you do not understand.

I feel we all agree with the principle that simultaneous translation offers many advantages, and I must concur in the statement made by the hon. member for Bonaventure (Mr. Arsenault) that perhaps we might have less disagreement with the press as to what actually was said in this house, if all hon. members could actually get the true sense of words spoken at the time they are actually spoken.

I was a little amused this afternoon at the statement made by the hon. member for Algoma East (Mr. Pearson) when he said that when he was speaking in the language not his own he felt the translation was an improvement on his own words. I, too, feel I would be in the same position when speaking in French although I understand that language quite well.

I did point out the other day and I do emphasize again that only approximately 12 per cent of the people of this country are bilingual. Some 67 per cent are reputedly unilingual in that they speak only English and some 20 per cent speak only French.

I certainly deprecate that state of affairs. In this house we recognize in all sincerity, as is recognized in other parts of the country, that there are two official languages in Canada and the great foundation of this nation is laid in the existence of two peoples who have different cultures on which a common culture may be based. We also realize that we will have much greater understanding and will insure the achievement of national unity only if we understand one another.

I would submit that it is only on the basis of knowing of what the other man is speaking and reading what he is writing that we will be able to achieve this end. I sincerely feel that every effort should be made by us to inculcate in our children the love of each other's language. I am not saying we should all learn French only but I feel it would be well if those who are French would also try to learn English so that we may get along with one another. This will serve us not only within our country but beyond its confines. Those members of this house who travel extensively in Europe—whether for reasons of pleasure, private or government business —realize the immense value of the knowledge of at least one other language. We in Canada have the opportunity to speak English or French or both, and I would commend to the members of this house the understanding and speaking of both languages.

At the moment I would think perhaps that the provision of some mechanical or automatic translation into one's own language of the speeches of members in another language would discourage the learning of that other language. I think there are a number of members of this house who have made some effort to learn French because there is no translation system. We have there the carrot, or the incentive, to learn another language. It may be that hon. members from the province of Quebec would limit themselves to their own language; if we had simultaneous translation, what use would it be to them to learn English? However, I do not think that should bother us here. We have important business to attend to, and I think the initiative of the individual hon. member should be relied upon in these things.

As to the resolution itself, I should say from what we have heard today, that the principle is widely supported in this house, but we would be setting up under this resolution if it were adopted, machinery parallel to that which now exists, and I feel that such an effort would be contrary to the economic use of the services of this house and would respectfully submit that while we agree in principle with the motion, in view of what has been disclosed, either the hon. member who proposed the motion should withdraw it or we should not agree with the motion, and I do so move, Mr. Speaker.

Mr. A. R. Smith (Calgary South): Mr. Speaker, it is pleasant indeed to enter into a debate in which there is so obvious general agreement on the question of principle. The odd remark I intend to make is really in support of the principle. I had hoped to get across the floor to obtain the notes of the hon. member for Winnipeg North Centre (Mr. Knowles) but as I have some reason to believe that perhaps that hon. gentleman did not understand his own notes he might not be able to help me a great deal.

I think I may say, Mr. Speaker that the agreement which has been expressed here today will be most refreshing to those who read *Hansard* or other reports of these debates as revealing that an effort is being made in this fine chamber to provide, at some point, members of the House of Commons, not merely with a convenience but with the hope that some day this body will take upon itself a task which many individuals have done to date, namely to learn both languages.

I think that my experience in coming here and recognizing my limitations in speaking

but one language, and making an attempt, as I have done, to speak the other, is one I will reflect upon and look back upon not only with some seriousness but also with some amusement, amusement caused by the fact that my tutor is practically giving me up and has even reached the point of suggesting that the only way I could accomplish my purpose would be by moving across the river, with the implication, of course, that that would not be possible in the circumstances.

I would say, though, that if we are to understand each other in this Canada of ours, and if the two cultures are to grow together, we must have an understanding of each other's language. I think, too, we will agree that once such an understanding has been perfected we can increase in harmony as we have never done before.

It was my experience some years ago when I landed in the Black Lake area of Quebec where there was at that time very little English spoken in the community to find myself in a position which undoubtedly has confronted many others, that of not being able to communicate intelligently with the people who were so kind to me. And, in my particular area of western Canada, I look back on that occasion with some fear and trembling at the prospect that I might not have been able to survive. The fact of the matter is that the people of the Black Lake area were kindness itself.

So, when we come to determine how best to implement this proposal which has been received tonight with general agreement, I do not think the question of what committee shall do the job is actually the most important element before us for consideration. We have received an assurance from a minister of this government that the matter will be given very serious consideration with a view to implementation and I, for one, believe that that is the word of a minister whose intention is honourable and right. I say that, not as a sheep but as a hon. member of this house and I am prepared to support him.

The limitation which some of us suffer, namely, inability to understand each other's language has been used as an example in support of the argument for a simultaneous translation system.

I must confess, however, that there were times when an hon. gentleman across the floor was speaking in French and looking at me, when I felt such a system might well be desirable. The only words I heard him say that I understood were "rock and roll," and then I got a suggestion that "Calgary South" had been used, and I must say I rushed down to mailbox the following morning to see if it was suggested that I, from Calgary South, had been rocking and rolling. But I found there was no reference to either point.

That is, perhaps, a somewhat facetious way of expressing the limitation. I know, of course, that the people of Canada expect all of us to give this matter consideration so that we can in the future not, as I say, as a convenience but as a matter of necessity, recognize the importance of this type of legislation. As I said at the beginning of my remarks, and as I repeat in conclusion, the important thing is not how we implement this. It is just a question of giving this idea consideration so that it will be put into effect for the benefit of all of us. Once that is done, I feel we can say we are in general agreement, and the motion will, of course, be expedited by all members of this house.

Mr. P. V. Noble (Grey North): Mr. Speaker, I come from an English speaking riding and if I am to believe what I have heard in this house today I am sure my people will be glad to have me endorse the idea that we have been talking about here.

I should like to register my support for the proposed system of simultaneous translation. It is my firm conviction that this would make an undeniable contribution toward national unity and that it would create a better understanding between hon. members of this house, especially between those of us who speak only one language.

I am not familiar with the equipment which would be necessary, but I do favour the idea of our daily visitors being able to share the convenience. I am hesitant about one feature, and that is the extra time that would be required to provide this service. The disregard of this house for the element of time is something I am finding very hard to understand. The opposition speaks very favourably with regard to this project, but they have been silent about it for the past 22 years.

(*Translation*):

Mr. Roland English (Gaspe): Mr. Speaker, as I represent one of the most beautiful constituencies of the province of Quebec, with all due deference to my hon. friends across the way, the constituency of Gaspe, which comprises Canadians of French, English and Irish origin, forms a wonderful, united family, living in harmony and preaching unity, not by words alone but through example.

Mr. Speaker, I agreed to represent this constituency not only in order to criticize or raise objections, but actually to defend the interests of the people of my county.

I said a moment ago, Mr. Speaker, that the constituency of Gaspe was preaching unity

through example, and that is why I am proud to tell the house that I am in favour of simultaneous translation. I am of the opinion that, in so doing, we would be giving an example of such unity.

Mr. Speaker, I have listened with great interest to the speeches of the hon. members during this session.

I listened with much the same degree of attention to the members of my party and the members of the opposition, and also to the members of the C.C.F. and Social Credit groups. I have thus been able to learn about the needs of the various parts of Canada, and the issues they have to face. To my mind the western representatives and the eastern members are equally interested in hearing and considering the problems of our province of Quebec.

Mr. Speaker, I am therefore in favour of simultaneous translation. I shall not recommend any particular system, because I am not an expert in these matters, but I sincerely believe that the matter should be studied only by experts, and that, in due time, a report should be tabled in this house, and then it will be up to us to take an appropriate decision.

Mr. Breton: Have you ever heard about the rights of parliament?

Mr. English: What did you say, my friend?

Mr. Breton: Have you ever heard about the rights of parliament?

Mr. English: Certainly.

Mr. Breton: Why not study them?

Mr. English: I heard about them, and I dare say my hon. friend has heard about them too. As he was kind enough to bring the point up, I shall tell him, for instance, that this unity in favour of which he is pleading just now might have been advocated long ago, particularly during the last election campaign, when disunity was preached instead.

Mr. Speaker, it was not my intention to raise this matter and as a new member in this house I would never have believed that an hon. member on the left would have made such interjection.

Mr. Speaker, I am confident that this government, my government, who so well understands the necessity of simultaneous translation, will in the near future provide the house with an efficient system.

(Text):

Mr. O. H. Phillips (Prince): Mr. Speaker, I would like to make a few brief remarks in this debate and support the principle of simultaneous translation of the two mother tongues used in this house. In the constituency which I have the honour to represent, Prince, Prince Edward Island, there are many fine citizens who are descendants of our early French settlers. The relationships between the English and French races in my riding have always been cordial and I hope they will continue to be that way. I feel that the two main racial groups in Canada can take an example from our riding and work together in harmony.

Much of the debate this evening has been carried on in French and as one who has difficulty in following the speakers who use the French tongue I missed much of the debate. True, I will be able to read it in *Hansard* tomorrow but I will have missed a great deal of the spirit, emotion and expression used by the participating speakers. I have no doubt that many French speaking members also have difficulty in understanding those who speak in English. I was impressed with this fact recently when the hon. member for Quebec-Montmorency (Mr. LaCroix) was moving his amendment concerning the adoption of a national flag, one that is still fresh in the minds of hon. members opposite. One hon. gentleman on the opposite side of the house complained that he did not understand the amendment as it was proposed in English.

I feel some hesitation about referring a matter of this importance to a committee. Several years ago a resolution concerning the adoption of a national flag was referred to a committee. Due to the objections of one member of that committee we still do not have a national flag as the committee could not bring in a unanimous recommendation to this house. Therefore, Mr. Speaker, I feel that a matter of this importance should be left to the wisdom of this government, a government which has already shown an ability to act rapidly on various matters and one in which all races are represented.

I believe we have two excellent examples of simultaneous translation which can serve as a precedent in this matter. We have simultaneous translation in the United Nations and I believe also in the Swiss parliament. I do hope, however, that the introduction of a simultaneous translation system would not tend to reduce the number of hon. members who strive to become bilingual. I feel much can be accomplished in the matter of national unity by our attempts to speak and understand one another's language.

Mr. E. A. Winkler (Grey-Bruce): Mr. Speaker, I rise to speak on this motion because I am not favourably impressed with the entire wording of the motion. I am one of those people who are indeed envious of those in this house with the ability to speak both languages. I come from a locality where there is a tongue other than English spoken and I come from a home that knew another tongue not French. I am, nevertheless, envious. I would say, however, regarding the installation of such a unit in the house, that I am prepared to accept as being a progressive move the installation of such units here and also in the galleries. I think it would be very advisable. However, I cannot agree that simultaneous translation should be installed for the use of committee meetings.

I am also one of those who feel that the fellowship, the experiences, that I enjoy with the French speaking members of this house, in getting to know them better, have not proven that simultaneous translation is required at this time in committee meetings.

At this time, Mr. Speaker, I should like to mention that in my experiences during world war II it was my privilege to be a member of the Royal Canadian Air Force and a member of a team—I repeat, "a team"—a bomber crew, of which two members were French speaking people. I might say now that I could not have been with a group or with a crew during that period in world war II that I appreciated more because of the fact that two of the members were French speaking. Then, later on in my wartime experiences—I do not mention this for any purpose other than to bring out my point—I had the misfortune of being in a prisoner of war camp for a time. There we were thrust together, French speaking Canadians and loyal members of the country of France who had come over to England and joined the R.A.F. There were quite a number of them; there were also Russians, Czechoslovakians, Poles, and a great number of nationalities, and I can say without hesitation that there was no difficulty in understanding. We appreciated the different cultures that were manifest and with which we had to live and, of course, we resolved the problem very readily. It is rather evident here; I certainly feel it very deeply. I am indeed very honoured to be able to meet outside of this house more particularly with the French speaking members and thereby increase my own understanding of them.

To get back to the point; as I have said, there is no personal objection on my part to the installation of a simultaneous translation system in this house. However, as a new member I can say that going through the periods of debate in this house is rather disconcerting at times and I think that possibly the time and effort wasted in this way could be more profitably spent in other ways.

I would also agree with the hon. member for Vancouver East (Mr. Winch) that the cost of such a system needs a very thorough investigation. This, you might say, Mr. Speaker, would be considered by such a committee, but from a personal point of view I would have to vote against the motion because I am certainly objecting, and would object strenuously, to the installation of such a unit for committee purposes.

Hon. J. M. Macdonnell (Minister without Portfolio): Mr. Speaker, let me begin by saying that I wish we did not have this problem at all. What I mean by that is, I wish we were all bilingual. That is the proper way to solve it, of course. But we have not got that.

When I was a student I was at one stage almost bilingual. Then I had the misfortune of living for years in Toronto. I hope that does not get into the Toronto press or I will be in difficulty. What I mean is that I did not have the chance to keep it up and I had not enough will power to keep it up.

We have had a very interesting debate. I was interested particularly in what was said by the hon. member for Melville (Mr. Gardiner), who gave us such an interesting account of the situation in the Saskatchewan legislature and a still more interesting account of the speech which he gave which was so miraculously translated. To me it is a miracle that a man can have such a memory. I was also interested in the speech made by the hon. member for St. Antoine-Westmount (Mr. Marler) because, as we all know, he had the experience before now of being in the opposition, and I was very interested this afternoon in what he said about the situation in which he found himself, being in a minority of English speaking members and where, in order to carry weight, he had to speak in French. That was very interesting to me.

I was very interested also in the speech of the hon. member for Winnipeg North Centre (Mr. Knowles) when I heard him launching into French. I could not hear him too well but I thought it was French and I had the feeling—

Mr. Knowles (Winnipeg North Centre): Merci.

Mr. Macdonnell: I had the feeling, as I listened to him, that miracles were going to

happen and before we knew where we were all of us would be bilingual and the problem might disappear.

Mr. Knowles (Winnipeg North Centre): Dix heures.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, I understand that the leader gave a detailed statement to the house in so far as the business of the house is concerned for the greater part of the week and I take it that, according to that statement, tomorrow the government will move to go into supply and discuss the estimates of the Department of External Affairs.

Mr. Green: Yes, Mr. Speaker. The intention is to move to go into supply and the Secretary of State for External Affairs (Mr. Smith) will open the debate on external affairs. The arrangement is that it will last all day, and if an amendment should be moved that amendment would be voted on at ten o'clock and not at 8.15. Then we shall move to have the estimates of the Department of External Affairs referred to the standing committee on external affairs.

Mr. Chevrier: When you get into supply is it the intention to move several departments?

Mr. Green: Yes, Mr. Speaker; it has been agreed that we can move six departments.

Mr. Chevrier: Have you decided on which?

Mr. Green: I do not remember at the moment; I will let the hon. member know after the house rises.

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:

IMMIGRATION PERSONNEL, B.C.—ACTING PAY

Question No. 98—**Mr. Hahn:**

1. Were any civil servants of the immigration branch of the Department of Citizenship and Immigration, at the ports of entry in British Columbia, occupying less senior positions required to perform the duties of senior positions during the past year and were thereby eligible for acting pay?

2. If so, how many, and how many cases of this type existed at each port of entry during that time?

3. Was this acting pay recommended by the district superintendent?

4. If so, how many claims were disallowed, and for what reason?

Answer by: **Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration):**

1. Yes.

2. 6. Douglas—2, Cascade—1, Patterson—1, Prince Rupert—1, district headquarters (Vancouver)—1.

3. Yes, except at Cascade where the officer had passed examination qualifying him for promotion to a higher grade and at Prince Rupert where the officer was relieving a fellow officer on sick leave.

4. None of the four cases recommended was disallowed.

P.F.A.A. SCHOOL, YORKTON

Question No. 145—**Mr. Castleden:**

1. How many persons attended the P.F.A.A. school for inspectors held in Yorkton, during September, 1957?

2. How many of those who attended that school received appointment as inspectors?

3. Were all those who were so appointed, bona fide farmers?

Answer by: **Hon. D. S. Harkness (Minister of Agriculture):**

1. 50 persons.

2. 39 persons.

3. No.

UNEMPLOYMENT, NORTHUMBERLAND COUNTY, N.B.

Question No. 186—**Mr. McWilliam:**

How many unemployed (a) males; (b) females, were there in the county of Northumberland, New Brunswick, at the end of each month from November, 1956 to October, 1957, inclusive?

Answer by: **Hon. Michael Starr (Minister of Labour):**

The area served by the office of the unemployment insurance commission at Newcastle, N.B., comprises the county of Northumberland. Data are available on the numbers of persons registered for employment at the Newcastle, N.B., office as of the Thursday nearest to the end of each month. For the months in question these data are as follows:

Month	Data as of	Number of persons registered for employment	
		Male	Female
November, 1956	November 29	979	128
December, 1956	January 3, 1957	2,038	168
January, 1957	January 31	2,850	212
February, 1957	February 28	3,297	223
March, 1957	March 28	3,464	221
April, 1957	May 2	3,408	217
May, 1957	May 30	1,504	180
June, 1957	June 27	1,081	168
July, 1957	August 1	712	176
August, 1957	August 29	789	159
September, 1957	October 3	763	165
October, 1957	October 31	1,103	174

DISEASE CONTROL OF OYSTER BEDS, KENT COUNTY, N.B.

Question No. 201—**Mr. Michaud:**

1. What steps have been taken towards eliminating the disease prevalent among Kent county, New Brunswick, oyster beds?

2. What steps have been taken to restock disease-free oysters on Kent county oyster beds?

3. When is it expected that disease-free oyster fishing in Kent county will be returned to normal?

Answer by: **Hon. J. A. MacLean (Minister of Fisheries):**

1. Although heavy mortalities were claimed for Cocagne in 1950, Buctouche bay in 1952 and Richibucto in 1950, examinations and field trials did not confirm these until the autumn of 1953 in Buctouche bay. A prohibition was immediately placed on the transfer of oysters or fishing gear from the waters of Kent county to any other.

2. In 1954 native oysters as well as oysters from Malagash basin, Nova Scotia and Miramichi bay, New Brunswick, were placed in experimental floating trays. High mortalities appearing in all these oysters in the spring of 1955, was convincing proof of an infectious disease similar to that which decimated the Prince Edward Island stocks in the 1920's.

In 1956, similar tests were made with two to three hundred oysters from Bras d'Or lakes in Nova Scotia. In the spring of 1957 trial plantings were made with about 50 barrels of Prince Edward Island stock considered to be disease resistant. Plans are now almost completed for the transfer of a further one thousand barrels of Prince Edward Island stock to Kent county in 1958.

3. If the transfer of disease-resistant stock is successful, the oyster fishery in Kent county 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 period to much longer.

Already in Kent county small oysters, apparently from native resistant stocks, are making their appearance. The survivals from trial plantings of Bras d'Or and Prince Edward Island stocks appear very promising especially in Buctouche and Richibucto. If these encouraging results continue and the small oysters are rigidly protected, the recovery period could be much shorter than normal.

WINNIPEG POST OFFICE—PART-TIME EMPLOYMENT OF WOMEN

Question No. 203—**Mr. Knowles (Winnipeg North Centre):**

1. Does the post office employ, at Winnipeg, women on a part-time basis?

Questions

2. If so, what rate per hour is paid to such women?

3. How many hours per day and how many days per week do they work?

Answer by: **Hon. W. M. Hamilton (Postmaster General):**

1. Yes.

2. Day duty—$1.11 per hour. Night duty—$1.26 per hour.

3. 4 hours per day—6 days per week.

PROFESSIONAL SPORTS—FEDERAL JURISDICTION

Question No. 214—**Mr. Fisher:**

1. Has the federal Department of Labour any jurisdiction in the contractual relations between players' organizations and professional sport entrepreneurs where players from more than one province and from another nation are concerned?

2. Has the Minister of Labour received any representations regarding the negotiations between the National hockey league and the players' association?

3. If so, has any consideration been given to appointing a conciliator?

4. Has the Department of Labour made any studies or reports on the legality of the so-called "reserve clause" in the contracts of professional hockey and football players?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. The operation of sports arenas and the engagement of players in connection with contests or exhibitions staged therein are matters of a local nature that do not fall within federal jurisdiction in so far as labour relations are concerned.

2. No.

3. Not applicable in view of answer to second question.

4. No.

HOUSE OF COMMONS

Tuesday, November 26, 1957

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

BANKING AND COMMERCE—FIRST AND SECOND REPORTS OF STANDING COMMITTEE—CONCURRENCE IN FIRST REPORT

Mr. John Pallett (Peel) presented the first and second reports of the standing committee on banking and commerce, and moved that the first report be concurred in.

Motion agreed to.

RAILWAYS, CANALS AND TELEGRAPH LINES—FIRST AND SECOND REPORTS OF STANDING COMMITTEE—CONCURRENCE IN FIRST REPORT

Mr. G. K. Fraser (Peterborough) presented the first and second reports of the standing committee on railways, canals and telegraph lines, and moved that the first report be concurred in.

Motion agreed to.

ST. LAWRENCE SEAWAY

ANNOUNCEMENT OF RESIGNATION OF PRESIDENT OF AUTHORITY

Hon. George H. Hees (Minister of Transport): Mr. Speaker, in view of recent press reports I would like to make a brief statement.

A few weeks ago Mr. Charles Gavsie, president of the St. Lawrence seaway authority, advised me that for almost a year he had been considering accepting a position with a private law firm in Montreal and that the time was rapidly approaching when he must make a decision in this matter. He advised me he would like to resign his position as president of the St. Lawrence seaway authority on January 31 next and enter the law firm on that date.

In spite of my best efforts to persuade him to at least postpone this decision until after the opening of the seaway, he thought he could not do so without jeopardizing the opportunity now afforded him, and for this reason he is tendering his resignation effective January 31, 1958.

UNITED NATIONS

FAO—TABLING OF SPEECH BY MINISTER OF AGRICULTURE

On the orders of the day:

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, some days ago the hon. member for Rosthern (Mr. Tucker) requested that I table a copy of a speech I made at the FAO conference in Rome.

Some hon. Members: Hear, hear.

Mr. Harkness: I have now received a copy of this speech from the delegation which has returned from Rome, and table it at this time. I hope the hon. member will find it interesting.

Mr. Pearson: Has it been censored?

Mr. Tucker: Have you found out what you said yourself yet?

Mr. Harkness: I always knew.

An hon. Member: You could not tell us.

UNEMPLOYMENT INSURANCE

REQUEST FOR EMERGENCY REGULATION TO COVER PACIFIC COAST FISHERMEN

On the orders of the day:

Mr. Frank Howard (Skeena): I would like to direct a question to the Minister of Labour of which I have given him notice. My question is as follows. In view of the short salmon fishing season on the Pacific coast which resulted in poor earnings for salmon fishermen and subsequently resulted in many of the said fishermen not being able to qualify for unemployment insurance benefits, will the minister undertake to recommend to the government that it enact a special emergency regulation under section 29 of the Unemployment Insurance Act so that west coast fishermen will be able to draw unemployment insurance benefits even though they may have less than the required 15 stamps?

Hon. Michael Starr (Minister of Labour): The answer is, Mr. Speaker, that under the new fishermen's regulations which come into effect December 1, fishermen will come under the provisions of the Unemployment Insurance Act, and as a result will be eligible for seasonal benefits which are being extended

under the resolution presently on the order paper. Under these new regulations fishermen will now be entitled to receive unemployment insurance payments after only 15 weekly contributions.

The situation to which the hon. member refers will be kept under close scrutiny, and if it warrants action careful consideration will be given.

Provision is also being made in the amendment to seasonal benefit regulations for benefits to be awarded to certain classes of claimants who have exhausted their regular benefits. A number of fishermen could conceivably come under this provision.

Mr. Howard: A supplementary question, Mr. Speaker. Can the minister advise us whether he has received any representations by the united fishermen and allied workers' union recently with regard to this matter?

Mr. Starr: Yes, I received a telegram this morning.

INDUSTRY

STATEMENT ON REQUEST THAT CANADIAN FIRMS PLACE CONTRACTS IN CANADA

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, may I take this opportunity to answer the question asked of me last week by the hon. member for Burnaby-Richmond.

My answer is as follows. While the Canadian government, and particularly the Minister of Labour, would be greatly pleased to see such contracts being referred to firms in Canada, I should nevertheless inform the hon. member that this government has no jurisdiction over the placing of contracts by Canadian private firms.

LABOUR CONDITIONS

CANADIAN NATIONAL RAILWAYS—INQUIRY AS TO CONTINUED LAY-OFFS AT MONCTON

On the orders of the day:

Mr. H. J. Murphy (Westmorland): Mr. Speaker, may I direct a question to the Minister of Transport. Is the minister aware of continued lay-offs of Canadian National Railways employees at Moncton? Second, will the minister inform the house what progress has been made in the C.N.R. works program, money for which was made available by the government in order to assist these men?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I have given a number of answers to similar questions asked in the house this session. I answered at some length the question asked on the subject by the hon. member for Winnipeg North Centre (Mr. Knowles) two or three weeks ago. I do not think I could give a better answer with regard to the general situation of periodic lay-offs which, unfortunately, have to occur, than the answer I gave on that occasion.

Mr. Stanley Knowles (Winnipeg North Centre): Is the minister aware that employees are still being laid off in Winnipeg despite the answer he gave to my question?

Mr. Hees: In the answer I gave to the hon. member for Winnipeg North Centre I did not indicate that, unfortunate as it most certainly is, it might not from time to time be necessary to bring about these lay-offs. If the hon. member will read my answer to him—he was not present when I made it—he will see the general explanation of the reason for these lay-offs which was given to me by the management of the C.N.R.

Mr. Murphy (Westmorland): Mr. Speaker, the first part of my question asked whether the minister was aware of the continued lay-offs at the C.N.R. shops in Moncton, and does he not still consider these unnecessary as he did two years ago when he visited Moncton?

Mr. Hees: Mr. Speaker, I feel sure that hon. members would not expect that the Minister of Transport should be aware from day to day of every lay-off or small group of lay-offs which occur, regrettable as those lay-offs are. I am not aware of these new lay-offs which the hon. member has mentioned, but I would like to remind him that I announced in this house a few days ago a $17 million program to enlarge the freight yards at Moncton, and I think that is a pretty good answer to the point he raised.

REQUEST FOR USE OF UTOPIA CAMP AS TRADE SCHOOL

On the orders of the day:

Mr. A. W. Stuart (Charlotte): I should like to direct a question to the Minister of Labour. Since there is widespread unemployment in Charlotte county caused to some extent by the closing of the textile mill in Milltown, and since universities, colleges and other educational facilities in the maritime provinces are overcrowded, has the minister considered making use of Utopia army camp, recently closed, as a trade school?

Hon. Michael Starr (Minister of Labour): No, I have not considered that aspect. However, it certainly sounds reasonable, and I will look into it.

SUGAR

REQUEST FOR SALES STATISTICS IN TORONTO-HAMILTON AREA

On the orders of the day:

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I desire to direct a question to the Minister of Trade and Commerce, and inasmuch as he is not in the house may I direct it to his parliamentary assistant. Will the minister tell the house how much Mexican refined sugar has been sold in the Toronto-Hamilton area since mid-August, 1957? Second, will he inform us at how much less per hundredweight this Mexican sugar is being sold than is Ontario-produced sugar in the same area?

Some hon. Members: Order paper.

Mr. Speaker: I doubt that the hon. member would expect the minister to have an answer to that question on his cuff. I suggest that the question be put on the order paper, unless the hon. minister wishes to deal with it today.

Mr. Thomas M. Bell (Parliamentary Assistant to the Minister of Trade and Commerce): Well, Mr. Speaker, notice was given, but I understand that some research is necessary, so perhaps an answer could be given later.

TRADE

HAY—STATEMENT ON IMPORTS FROM UNITED STATES INTO BRITISH COLUMBIA

On the orders of the day:

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, on Friday last the hon. member for Okanagan-Revelstoke asked the following question:

> Has the government become aware of heavy imports of hay from the United States of America into western and southern British Columbia, mainly delivered by trucks and trailers? If so, is any action contemplated to protect the hay growers of the Okanagan and Shuswap areas, who find it impossible to meet this competition?

The answer is as follows. The government is aware of the fact that hay is being imported into southern British Columbia. This is a normal situation because certain parts of that province, such as the Fraser valley and the Cariboo, usually are deficit areas for hay. The volume of imports varies widely from year to year, depending on local crop and pasture conditions.

From January to August, 1956, imports amounted to 27,805 tons. During the same months of 1957 imports amounted to 19,702 tons. While complete official import figures are not available for subsequent months this year, present indications are that imports will be substantially lower than they were in the same months last year.

Recent reports from British Columbia indicate that a substantial part of current imports is being carried by truck, but again no complete current statistics are available.

Market reports indicate that imported alfalfa hay of good quality is being delivered to Williams Lake at about $31 per ton and to Vancouver at from $26.75 to $27 per ton. Rail freight from the northern Okanagan and Shuswap is approximately $11.40 per ton; hence alfalfa hay of good quality originating in the north Okanagan area and shipped to Vancouver should be worth between $15 and $16 per ton at the shipping point.

An estimate made by the provincial department of agriculture indicates a surplus of about 1,500 tons of hay in the north Okanagan and Shuswap areas, but it is also indicated that these areas normally ship very little hay to the coastal region. In any event the amount available seems to be very much less than will be required, particularly for the dairy herds in the lower mainland.

In view of these facts and estimates and of the admitted urgent need of both dairy farmers and beef cattle producers for additional supplies of hay, it would not appear desirable to consider any restrictions or controls on imports of hay at the present time. In addition, of course, there is at present no legal basis for such action. I might add, Mr. Speaker, that the hon. member for Okanagan Boundary sent in a similar question.

POTATOES—IMPORTS FROM UNITED STATES INTO VANCOUVER REGION

On the orders of the day:

Mr. F. C. Christian (Okanagan Boundary): I should like to ask a question of the Minister of Agriculture. Notice of it has been given. Is the Minister of Agriculture aware of extremely heavy shipments of United States potatoes into the Vancouver wholesale region? If so, what action is intended to be taken by his department?

Hon. D. S. Harkness (Minister of Agriculture): Trade statistics are not available to cover recent imports, but the record of unloads on the Vancouver market by rail and truck indicates that during the period November 1-15, 1957, a total of 68 cars of domestic potatoes and 22 cars of United States potatoes, including 18 cars from Washington or the dry belt area, reached that market. This compares with 60 cars of Canadian and 38 American, including 28 Washington, during the same period in 1956. In other words, imports this year during the same period are just over half what they were last year.

Wholesale quotations at Vancouver during the above period in 1957 per 100 pounds of

No. 1 grade ranged from $2.90-$3.35 for domestic potatoes and from $3.25-$3.50 for United States potatoes. Comparable prices a year ago were $3.15-$3.65 for domestic and $2.85-$4.65 for imported potatoes.

Imports of United States potatoes must meet the requirements of Canada No. 1 grade, or the equivalent of United States No. 1 grade. In addition, all such imports during this period were dutiable at 37½ cents per 100 pounds.

The Vancouver market normally requires a quantity of potatoes over and above local production. There is no indication from current imports and prices that the situation is unusual or requires any action.

MISSION TO UNITED KINGDOM—PRESS COVERAGE

On the orders of the day:

Mr. Louis Lewry (Moose Jaw-Lake Centre): Mr. Speaker, I would like to address a question to the house leader. I did not have time to give him notice, but I did send him a copy of a press report.

In view of reports from London that heavy-handed officialdom, both British and Canadian, has resulted in an order to press reporters to leave the sessions of the Canadian trade delegation meeting with United Kingdom officials, can the house leader say whether it is official government policy to withhold such information that may be obtained by the press?

Mr. Speaker: It strikes me that the hon. gentleman himself recognizes that he is going beyond the rules of the house in asking the government to take responsibility for the press of the United Kingdom.

REQUEST FOR REPORT ON MISSION TO COMMUNIST CHINA

On the orders of the day:

Mr. W. A. Tucker (Rosthern): I would like to direct a question to the Acting Minister of Trade and Commerce or his parliamentary assistant. Has the government yet received a report from our trade mission in Hong Kong in regard to its 20-day tour of communist China? If he has, will he advise the house what communist officials our trade mission visited in communist China and what was the result of that trade tour?

Mr. Thomas M. Bell (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, I will take notice of this question and see that it is answered.

[Mr. Harkness.]

EXTERNAL AFFAIRS

MIDDLE EAST—STATEMENT ON ARMS EXPORT PROHIBITION

On the orders of the day:

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, on November 19 the hon. member for Cartier addressed the following question to me:

> Can the minister tell the house whether any member states of the United Nations have violated or are violating the request of the United Nations not to send military equipment to the Middle East?

I took that question as notice, Mr. Speaker, and I regret my tardiness in replying to the question but I was at the United Nations last week.

Before addressing myself to the substantive part of the question of the hon. member for Cartier I might first correct the misapprehension implicit in the wording of this question regarding the area to which the United Nations resolution was intended to apply. That resolution was not applicable to the whole area of the Middle East, but only to that part of it in which hostilities were taking place at that time, namely Israel and Egypt.

Turning now to the question of whether other United Nations member states are observing the United Nations recommendation, I can only say that it would obviously be a tremendous task for the Canadian government to attempt to keep track of the attitudes and activities of the other 81 fellow United Nations members. It is no secret that there have been deliveries of significant military equipment to the area in question by members of the Soviet bloc, and there have been press reports about deliveries from other countries. However, as I pointed out in my statement of November 19, the Canadian decision to observe the spirit of the United Nations recommendation is not determined by the example of others but rests upon a combination of respect for a United Nations resolution and national considerations relating to our participation in the United Nations emergency force.

Hon. L. B. Pearson (Algoma East): May I ask a supplementary question arising out of the answer given by my hon. friend. In view of the fact that his earlier answer covered merely the area of this resolution, Egypt and Israel, does the same policy of prohibition of the export of defence equipment apply also to the other Arab countries in that area?

Mr. Smith (Hastings-Frontenac): At present it does, Mr. Speaker.

POST OFFICE DEPARTMENT

"FREE PRESS" STAMP ISSUE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I want to address a question to the Postmaster General, now colonel in chief of philately and a former caustic opposition critic of the postal engraver's art. With respect to the stamp to be issued as a tribute to the contribution of the press to the development of Canada, does the minister consider it appropriate that Canada should be stood on end to achieve this objective?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I thank the hon. member for having given me notice of his question. It immediately occurred to me that this stamp is just one other example of the many things stood on end by the previous government which my colleagues and I have been straightening out to their proper relationship.

I made inquiries, Mr. Speaker, and I am informed that this stamp, the design of which was approved in April preceding the election; and the colour, which is that black so regretted by many people using stamps, which was approved in May preceding the election, hardly come within the purview of this government. I also understand, Mr. Speaker, that the design, including the stood on end Canada, had the approval of certain advisers of the department who are considered qualified in matters of art.

In reference to this particular stamp, Mr. Speaker, and in reference to some of the comments we have heard in the past, I may say that we are considering somewhat of a broadening of the group of advisers to be consulted about designs in the future.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask a supplementary question, Mr. Speaker. In the five months since June 21 has the Postmaster General not had time to stop this issue if he felt the way in which he has described it in the house?

Mr. Hamilton (Notre Dame de Grace): I was hoping someone would ask that question, Mr. Speaker; that is why I left one point unanswered. The stamp was originally intended for issue in October; therefore it went into production immediately following approval of the plate and the colour before this government moved into office and we had a chance to review these things. The reason it was not issued in October, and it now stands ready for issue—printed, of course—has been that the stamp commemorating the royal visit was used to replace this stamp, and it is now intended to release this stamp in January.

[*Later:*]

Mr. G. K. Fraser (Peterborough): I should like to direct a question to the Postmaster General. I did not send him notice of the question, but I judge he will know the answer. Will the stamps in the future have larger numerals on them than in the past? Also will the stamps of certain denominations all be of the one colour?

Mr. Hamilton (Notre Dame de Grace): As to the size of the numerals on stamps, something which has been a matter of concern to the hon. member for Peterborough for some time, may I say that these numerals are being enlarged. I might also say in this connection that we are currently in consultation, and have been over the last month or so, with an expert on the question of lettering generally so the lettering included on our stamps might be as satisfactory as possible.

Generally, where possible, we will try to follow a standard colour pattern for stamps, but very often that proves to be difficult. A case in point is the special issue which received so much commendation, commemorating the royal visit. The selection of the colour was dictated by the fact that this design was based on a photograph and was intended to represent a photographic technique, and therefore black and white was the appropriate colour for that particular stamp. But generally an attempt will be made to follow a standard colour pattern.

SHIPPING

LAKEHEAD—STATEMENT ON ICEBREAKING PROGRAM

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, recently the hon. member for Fort William (Mr. McIvor) and the hon. member for Port Arthur (Mr. Fisher) both asked me about the proposed icebreaking program my department has in mind for this year. I would like to make a very brief statement on this. Departmental officials have been maintaining daily contact with the situation at the lakehead in this regard over the last few days. The contract was awarded last week to the Hindman Transportation Company of Owen Sound, the lowest tenderer when tenders were called for this purpose, for the normal end of the season icebreaking at the lakehead; and the first of two tugs to be provided for this purpose was dispatched to the lakehead over the week end and is due to arrive some time today. The second tug is presently having an ice plow fitted and is expected to be available at the lakehead by the end of the week.

Mr. McIvor: Thank you.

Inquiries of the Ministry

WATER RESOURCES

BRITISH COLUMBIA—REQUEST FOR REPAIR OF WING DAM AT REVELSTOKE

On the orders of the day:

Mr. G. W. McLeod (Okanagan-Revelstoke): I have a question for the Minister of Public Works, of which he was given notice last Friday. A wing dam built on the Columbia river, within the city limits of Revelstoke, B.C., by the federal government in 1907 is now in such disrepair that river bank property is suffering serious erosion. Has the department given any consideration or formulated any plans to rebuild this dam?

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. The answer has not yet been prepared. We are checking old files of the department, and I hope to be able to give the hon. member his answer in a day or two.

MANITOBA—INQUIRY AS TO COMMENCEMENT OF CONSTRUCTION OF ST. MALO DAM

On the orders of the day:

Mr. W. H. Jorgenson (Provencher): I should like to direct a question to the Minister of Agriculture. In view of the serious problem existing in Provencher due to crop losses caused by excessive rains, would the minister say if a start is to be made this fall on the St. Malo dam project in order to provide some employment for the farmers in that area this winter?

Hon. D. S. Harkness (Minister of Agriculture): Yes, Mr. Speaker, a start will be made on that project. As a matter of fact, I received information either yesterday or today from the director of the P.F.R.A. that the brushing operation for the reservoir was to start today, I think.

MANITOBA—INQUIRY AS TO COMMENCEMENT OF CONSTRUCTION OF RIVERS DAM

On the orders of the day:

Mr. Louis Deniset (St. Boniface): I should like to direct a question to the Minister of Agriculture in view of his reply to the hon. member for Provencher (Mr. Jorgenson). Is work on the dam at Rivers, Manitoba, also going to be started soon?

Hon. D. S. Harkness (Minister of Agriculture): There are no immediate plans for starting work on the dam at Rivers. Surveys are still going on, and as yet the surveys have not reached a point where work could be started.

[Mr. McIvor.]

COMBINES INVESTIGATION ACT

BREAD—ALLEGED PRICE WAR IN WESTERN CANADA

On the orders of the day:

Mr. Louis Lewry (Moose Jaw-Lake Centre): I should like to direct a question to the Minister of Justice. Notice has been given. Has the minister's attention been drawn to the existence of a bread price war in western Canada being carried on by the Weston company, with the apparent purpose of eliminating competition and thereby creating a monopoly? Will the minister consider having action taken immediately under the Combines Investigation Act?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I thank the hon. gentleman for notice of his question. In reply I would advise him that no complaints have been received by the combines branch concerning the matter to which he refers, but if he or other parties have information which is relevant to the Combines Investigation Act I should be glad to receive it in order that I may refer it to the director under the act for consideration as to whether it merits an inquiry.

INQUIRY FOR RETURN

DRUMMONDVILLE, QUE. AIRPORT

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, notice of motion No. 7 for production of papers was passed by the house on October 25. I would ask the Secretary of State when I can expect the return to be tabled.

Hon. Ellen L. Fairclough (Secretary of State): Mr. Speaker, I apologize to the hon. member. My attention was momentarily diverted. Will he repeat his question?

Mr. Boulanger: Notice of motion No. 7 for production of papers was passed on October 25 and I should like to have the report tabled.

Mrs. Fairclough: Mr. Speaker, the motion which was on the order paper for production of papers involves several departments. I will do what I can to have it produced shortly.

FRUIT

APPLES—REPORTED FLOODING OF B.C. MARKET BY JAPANESE PRODUCT

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 Agriculture. I sent him notice, as well as pertinent information

respecting the question. In view of the distressed financial condition in which the apple growers of the Okanagan find themselves, would the minister have an immediate examination into and announce what immediate action, if any, his department intends to take to prevent the flooding of the lower mainland region of British Columbia with Japanese solid packed apples at this time, in the light of the fact that Okanagan packed apples can be had in sufficient supply to look after this market?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, imports of processed apples are not segregated in trade statistics; therefore, the quantity of canned apples imported from Japan is not available. As a result we do not know whether or not they are flooding the market. The department is aware, however, that canned apples have been imported from Japan. These apples have met Canadian grade or quality standards for import, as specified in the processed fruit and vegetables regulations, and are subject to the tariff of 1 cent per pound. Since these imports have met the standards established there is no basis for prohibiting their entry. However, I am having the officials of the department look into the question further.

Mr. Hahn: Mr. Speaker, in view of the fact that the minister is having the question looked into, I would also ask him to examine an advertisement by one of the major stores in the area affecting fancy Okanagan Jonathans, which were said to be Canada grade, while inside the box there was a typewritten slip with the words "produced in the United States".

Mr. Harkness: If the hon. member would send me all the details he has in connection with this matter I shall certainly be glad to have it investigated.

ADMINISTRATION OF JUSTICE

SUPREME COURT OF CANADA—REPORTED WITHDRAWAL OF JUDGE FROM CASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Justice. Has the minister any comment to make on the letter which Mr. Lewis Duncan, Q.C., of Toronto wrote to him under date of November 23? In particular, has he any comment to make on Mr. Duncan's request that a certain question of law be brought before the Supreme Court of Canada or that, if necessary, it be dealt with by legislation presented to this parliament?

Hon. E. D. Fulton (Minister of Justice): In reply to the hon. gentleman's question and with particular reference to the second part of it, I should like to advise him that the issue is being studied in the department now, and I hope to be in a position to reach a decision fairly soon.

With regard to the question in general, I wish to take the opportunity to clear up a misapprehension resulting from some of the reports in the press. I have not had the opportunity to consider the full implications of the letter in detail, but I should like to say that I can find in the text itself absolutely no foundation for a charge or suggestion of impropriety in connection with the conduct of Mr. Justice Locke; and there can be and is no suggestion whatsoever of impropriety in connection with the conduct of that distinguished judge.

DOMINION-PROVINCIAL CONFERENCE

SUGGESTED DISCUSSIONS CONCERNING THE SENATE

On the orders of the day:

Mr. H. J. Murphy (Westmorland): I should like to direct a question to the Prime Minister, and in his absence whoever is acting can take it as notice. Will the dominion-provincial conference now in session remain in session to discuss the making of the Senate an effective arm of democracy or does he consider the appointments made to that place since July 1 to have carried out this aim? This is as promised by the Prime Minister in his national policy.

Hon. Howard C. Green (Minister of Public Works): I am sure the great majority of the members of the house will agree with me when I say that I do not believe that question merits any answer.

Some hon. Members: Oh, oh.

REQUEST FOR DISTRIBUTION OF VERBATIM REPORT

On the orders of the day:

Mr. E. G. Hansell (Macleod): Might I direct a question to the Minister of Public Works, the house leader. Will the government have the verbatim report of the dominion-provincial conference containing the statements made by the premiers delivered to the members of parliament so we can all know and have on record the speeches that have been made at that conference?

Hon. Howard C. Green (Minister of Public Works): I believe it has been the practice to do this in the past. I have no doubt that the same course will be followed at the present time.

Inquiries of the Ministry

FINANCE

PRINCE RUPERT, B.C.—ASSISTANCE TO HOME OWNERS SUFFERING LOSS THROUGH LANDSLIDES

On the orders of the day:

Mr. Frank Howard (Skeena): I have a question which I should like to address to the house leader, of which I have given him notice. Will the government undertake to offer some sort of relief to the residents of the city of Prince Rupert who had their houses demolished by recent landslides and to those who had to evacuate their homes because of threatened additional slides?

Hon. Howard C. Green (Minister of Public Works): I should like to thank the hon. member for giving me notice of this question. The members of the government have been very much concerned to learn of this disaster. The course which is followed in such cases is that the municipality in which the disaster took place should get in touch with the provincial government if assistance is needed. Then if the provincial authorities feel that help is needed from the federal government, that further step is taken. In this particular case I believe the disaster was within the boundaries of the city of Prince Rupert. The course I have just pointed out is open to that municipality.

BUSINESS OF THE HOUSE

INQUIRY AS TO REQUEST FOR INTERIM SUPPLY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I address a question to the house leader. In view of the fact that we are getting close to the end of the month, which means the government may shortly be running out of money, is it the intention of the government to ask the house for interim supply at an early date?

Hon. Howard C. Green (Minister of Public Works): I believe it is the intention to ask for interim supply, but I cannot yet say on what day that step will be taken.

AGRICULTURE

MEASURE TO PROVIDE GUARANTEED PRICES FOR CERTAIN COMMODITIES

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to address a question to the Minister of Agriculture, or perhaps more properly to the house leader. The question arises out of the continuing drastic drop in agricultural prices and the recession in that industry. Can the minister assure the house that the resolution regarding agricultural prices supports will be brought forward at the earliest possible date, perhaps Friday of this week, or during government business next week?

Hon. D. S. Harkness (Minister of Agriculture): I can assure the hon. member that it will be brought forward just as soon as possible.

Mr. Martin (Essex East): Before Christmas?

Mr. Harkness: Well, I cannot say whether it will be brought forward this Friday or any other particular day. I would like to point out, however, as I have done before, that this habit of prefacing a question with a statement about a drastic and continuing fall in prices is not one which is borne out by the latest statistics which I have received. As a matter of fact during the past week or 10 days prices of both cattle and hogs have gone up by from $1.00 to $1.50 per hundred. The price of lambs is up about $2.00 to $2.50 per hundred, and the general level of poultry prices and so forth is higher than it was at this time last year and higher than a few months ago.

Therefore to keep on reiterating that there has been a drastic fall in prices in recent months and that it is still continuing is just not in accordance with the facts. The one commodity which has fallen quite materially in price is hogs, and I think I have already made a statement in connection with that commodity.

Mr. Argue: May I ask a supplementary question, in view of the minister's statement. Would the minister agree that since his government has taken office the trend in the price of grains in this country has been down a very substantial amount, or does he not consider wheat, oats and barley to be agricultural products?

Mr. Harkness: Mr. Speaker, I think I will just give the hon. member the statistics in connection with grains, certainly as far as wheat is concerned. No. 1 northern, stored at Fort William in September, 1956, was priced at $1.72.

Mr. Argue: You were not in office then.

Mr. Harkness: Just a minute. This is for the purpose of comparison. In July, 1957, the price was $1.67, in August, 1957, $1.66 and in September, 1957, $1.71.

An hon. Member: Not much of a drop there.

Mr. Harkness: One cent drop in a year.

Mr. Argue: Could the minister give us the price of feed wheat and the drop in the price of barley?

Some hon. Members: Oh, oh.

Mr. Harkness: Mr. Speaker, it happens that I do not have the statistics on feed wheat before me or in my head. As the hon. member is aware, he can get those figures from the dominion bureau of statistics or from the wheat board, and therefore there is no need for me to put them on the record at all.

Mr. McIlraith: We are entitled to get them from the minister.

Mr. Argue: I would like to ask the minister if he is bringing forward only those prices which support him and not those which have gone down?

Mr. Harkness: It just so happens, Mr. Speaker, that I have with me a piece of paper which I got at noon today and which is entitled "Canada—Prices of Selected Agricultural Products". This publication comes out regularly, and I think the hon. member would be well advised to have a copy of it delivered to him; then he would not be making these constant mistakes in regard to what is happening to prices of agricultural products in this country.

Mr. E. G. Hansell (Macleod): May I ask the hon. minister this question. Does the government take credit or blame for the rise or drop in prices on the world market?

Mr. Harkness: Well, Mr. Speaker, the hon. member, I think, knows that we do not take any blame or any credit—

Some hon. Members: Oh, oh.

Mr. Harkness: —for the general rise and fall in world prices.

An hon. Member: Just the interest rates.

Mr. Harkness: I would point out to the hon. member, however, that we do take some credit for some increase in the prices of fowl, turkeys and certain other products which has taken place in Canada since we have assumed office, and as a result of actions we have taken.

Some hon. Members: Hear, hear.

Mr. Argue: I wonder if I might address another question to the Minister of Agriculture or the house leader—

Some hon. Members: No, no.

Mr. Argue: Since the agricultural prices support resolution was placed on the order paper on October 31, and since the house leader on two different occasions intimated to the house that it would be brought forward as soon as possible, does he not think it is now time that this resolution should be brought forward?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, my hon. friend knows very well that we are trying to get some of the estimates approved by the house at the present time.

Mr. Martin (Essex East): How about the farmers in eastern Canada?

Mr. Cardiff: We waste one and a half hours every day answering questions.

Mr. Chevrier: Closure?

SUPPLY

Hon. Sidney E. Smith (for the Minister of Finance) moved that the house go into committee of supply.

EXTERNAL AFFAIRS

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, at the outset I desire to congratulate you upon your election as presiding officer of this house. With your host of friends across Canada I felicitate the house on your elevation. Through you, Mr. Speaker, I desire to address some remarks to the hon. member for Algoma East (Mr. Pearson). I congratulate him on the unique distinction that has come to him in the award of the Nobel peace prize. He has brought recognition to himself and great prestige to Canada.

Some hon. Members: Hear, hear.

Mr. Smith (Hastings-Frontenac): I must confess, Mr. Speaker, that the award to him has made my task no easier, but having that in mind I still congratulate him and share the joy of Canadians in that award.

It is indeed a great privilege for me to represent Hastings-Frontenac in this house, an area which is so distinguished in the founding and building of Canada, and I say to my constituents that I will endeavour to be worthy of the support they accorded me. I am not unaware of the fact that the parties in this house did not contest the by-election, and I have only this to observe, that I trust it is the beginning of a habit with respect to this.

I know the people of this country are indeed interested in the foreign policy of Canada, our actions and policies in the field of external affairs, and I also know that other governments are equally interested in the actions and policies of this government. We have been considering in this house, and we shall be considering in this house, matters of great moment which might be described as domestic or national. I am not discounting in any measure the importance and significance of these matters when I observe that the solution of the grave problems which

confront the nations of the world in 1957 has a practical bearing on the health and happiness of Canadians and on the welfare and progress of Canada.

We cannot expect in this field of external affairs to find ready made solutions. Only the eradication of fear and the establishment of mutual confidence among the nations will provide the basic solution, and the government will endeavour in every way to bring this about. Second, to bring about this state of affairs we shall need steadiness, strength and patience.

In view of the fact that today I am making my first statement on foreign policy, and having regard to the fact that there are many new members of the house, freshmen like myself, I propose to outline in somewhat general terms some of the relations and relationships of Canada with other nations. In common with Canadians of all political persuasions I take pride in the advancement of our country to a position of respect and influence in the international field. We are regarded as a leading country of middle-status in the world. Our role is an important one in the commonwealth, in the affairs of the United Nations, in NATO and in all the other various organizations to which Canada adheres. That is a position which Canada has attained by reason of its growing strength, its sense of responsibility and its willingness to accept responsibility; and I believe it is also due to the exercise by Canadians of a certain wisdom and maturity of judgment.

Natural resources and the development of those resources which Canada has achieved have helped to give us a prestige out of all proportion to the size of our population. Our sacrifices in two world wars, and then in recent years in securing the peace in Korea, the Middle East and Indo-China, have added to that prestige; our contributions, of which I will speak later, toward raising the standard of living in various parts of the world, and our contributions toward the alleviation of want and suffering have, too, enabled Canada to speak with confidence and authority.

Moreover, I think we bring to the consideration of the solution of international problems peculiar qualities which Canadians possess. We are the heirs of a European civilization, and I would think, having regard to the development of our national scene that we have a national, or perhaps I should say a natural, tendency and gift for compromise. We are possessed of an idealism which has been somewhat modified by the skepticism which Canadians must have when they realize that the solution of any problem cannot come about by miracles but only as the result of persistent and hard endeavour.

And so, Mr. Speaker, it is with these encouraging yet challenging thoughts in mind that I take up my new office as Secretary of State for External Affairs. As I enter this field I assure this house that having regard to the firm foundations which have been laid in respect of our foreign affairs by successive governments I will endeavour to build on these foundations and, as a member of this government under the leadership of the Prime Minister, I will do my best to help in building something distinctive and valuable upon these foundations.

In this context it is clear that Canada must seek to understand the aspirations of other countries; Canada must endeavour to apprehend the motives of other nations, whether they be ill or good, and work closely with friendly nations. But all the while Canadians must think for themselves, and Canada's foreign policy should not be merely a pale reflection of the views of other countries.

My first assignment after I became a member of the government was to go to the United Nations. I think that was an excellent introduction for me because it enabled me to study at first hand, at the beginning of my political and diplomatic career, the machinery, the aspirations and the objectives of that great organization.

There was in the United Nations, I found, a curiosity with respect to the attitude of the new government in Canada toward the organization, and I can best describe the views of this government by repeating to this house the words of the Prime Minister when he spoke to the general assembly on September 3, 1957. He stated: "We stand on this question now where Canada has always stood since April, 1945. And I emphasize this, with the support of the party which is now in power. So far as Canada is concerned, support of the United Nations is a cornerstone of its foreign policy. We believe that the United Nations will grow stronger because it represents the inevitable struggle of countries to find order in their relationships, and the deep longing of mankind to strive for and attain peace and justice." That is the stand of this country toward the United Nations.

Our confidence in the United Nations, Mr. Speaker, is not blind. It is, we know, an imperfect instrument. Yet one can understand that. The United Nations is not, as the secretary general stated in his last annual report, a supra-state, and how can we expect the United Nations to be better than those who constitute it? The United Nations is, indeed, a microcosm of an imperfect world, a world now in the shadow of nuclear weapons. However, the United Nations has had

its successes, and I think it warrants the designation or description that it is the work shop of world diplomacy.

And amidst all the portents and dark threats of 1957, I suggest to you, sir, that the United Nations is the greatest hope for peace. If the United Nations were not in existence I do think mankind would have to invent something like it in order to afford a forum in which 82 nations could sit down together and discuss face to face their differences and their agreements.

It is a gratifying yet a sobering thought for us that Canada will take its seat for the second time on the security council. That will happen on January 1, 1958.

I was particularly pleased that my first task at the United Nations was to endorse the admission of Malaya and to welcome that country as the newest member state of that organization. The United Nations has now become a more universal body, and many of its new members have risen from the status of colony to that of nationhood. It afforded me even greater pleasure to say on that occasion that I saluted Great Britain, because here was another case that we in Canada know so well of Great Britain encouraging a colony to become a nation. I could not refrain from observing that this had been the historic, the outstanding record of Great Britain, while the U.S.S.R. reversed that process of developing colonies into nations by reducing nations to colonies.

Canada has worked and will continue to work with these new members of the United Nations, and as far as my experience is concerned it has been a joy to co-operate with them.

Among the topics which were discussed at the United Nations this year was the question of disarmament, which was perhaps the major topic. I and members of my delegation at the United Nations had some reason to be not entirely satisfied about the consideration in the twelfth session of the United Nations of that topic which means so much to mankind. The 24 powers did put forward a resolution that was drafted by the subcommittee on disarmament on August 29, 1957, and that resolution did receive endorsation by the general assembly. In fact the U.S.S.R. was not able to line up any votes in opposition to that resolution except those of its own satellites. It is true that there were some who abstained from voting on that 24-power resolution, but I judged that in many cases the abstention was due not to any opposition to the resolution but because they really thought any resolution put forward and adopted by the United Nations would be ineffective as the U.S.S.R. said they would not co-operate in further negotiations under that resolution.

Mr. McIvor: Would you mind stating the resolution?

Mr. Smith (Hastings-Frontenac): I have it here but it is quite long. Could I offer it as a paper to be put in my speech? It would take about five minutes to read, Mr. Speaker, but I could outline its purport. It is to the effect that we should make a partial step in disarmament.

After we had obtained for that resolution approval from the general assembly which was unanimous but with abstentions, the U.S.S.R. said they would not participate in the discussions of the disarmament commission or of the subcommittee. We were greatly disappointed to hear that, because in getting that resolution so admirably supported in the United Nations we felt we had a vote of the peoples of the world that would carry some weight with the U.S.S.R. because it reflected a world-wide opinion that they should consider the rejection of the western proposals.

We tried to make it clear to the United Nations that the resolution that was so widely supported in the general assembly was not necessarily in our opinion the only means whereby disarmament could be promoted. On October 23, 1957, I spoke in the political committee and asked our soviet friends to look at the resolution; not to regard it as coming from us in a take it or leave it manner, but to accept it on our assurance that it would be a basis for further negotiations. Well, after the U.S.S.R. stated definitely that they would not negotiate any further, they did put forward the suggestion that the disarmament commission should be made up of the 82 member nations of the United Nations, and indeed that the complexion of the general assembly itself should be reflected in the new disarmament commission.

We all felt that this was a manifestly impractical proposition, and we were bound to conclude that it was merely a propaganda move. It would be entirely unwieldy for 82 nations to sit down and discuss the problem in one meeting or series of meetings on disarmament. That was, however, put to the general assembly by the U.S.S.R. and it was rejected by the general assembly.

Even after that Canada, taking the lead in some cases and in other cases co-operating with other friendly powers, tried again to find a well-balanced and reasonable group by way of a suggestion for the composition of the disarmament commission that would satisfy the U.S.S.R. Finally there was put before the general assembly a proposal for

the extension and enlargement of the disarmament commission to include the members of the security council, 11, and Canada, and in addition 14 other countries. That was adopted by the general assembly to the extent that three-quarters of the governments of every group in the United Nations endorsed it. That proved unacceptable to the U.S.S.R., although at one point in our negotiations we did hope that it might be acceptable to them.

Now that the enlarged disarmament commission has been established the U.S.S.R. say they will not participate in its discussions and our only hope is that they will reconsider their views so we can sit down together with them to the end that the armament race will not be continued, because as I endeavoured to tell the political committee of the United Nations—and I have no desire to indulge in scare headlines here today—the issue is in effect and in essence human survival.

In all these arguments in the committee and in the general assembly the Russians came back time and time again to their proposal. The first part of their counter-proposal is that the nations of the world who are members of the U.N. should resolve to ban the use of nuclear weapons. Since I have come to Ottawa I have had letters from many persons throughout Canada which said, "What a laudable proposal that is from the U.S.S.R."

Now, sir, one must confess it has an immediate attraction and appeal. "Ban the use of nuclear weapons." I ask you, sir, and I ask this house why, then, can we not accept this laudable proposal? The answer, the grim answer, is that a promise not to use nuclear weapons is good only until one nation decides to break it. There must be, for our security, a measure of inspection that will ensure that the undertakings in that regard are being carried out. Disarmament cannot be achieved by the stroke of a pen or the mere passing of a resolution.

My colleague the hon. member for Oxford (Mr. Nesbitt) who was vice-chairman of the Canadian delegation at the twelfth session of the assembly, took a very active part in these negotiations, and I know he will be ready and willing to amplify what I have endeavoured to tell the house this afternoon.

In addition to disarmament, a striking characteristic of the debate had to do with the words I used a few moments ago, "human survival". It is evident that the advances or discoveries in the field of science and technology pose a new and urgent problem in international politics. We cannot solve that problem merely by talking about our endeavours of yesteryear. New scientific weapons and scientific discoveries have provided an urgency about the solution of those problems. Canada, I can assure this house, will endeavour in every way possible to advance further discussion and negotiations with respect to disarmament. For 11 years representatives of Canada have carried on those endeavours, and we hope we can keep the Canadian flag waving in respect of a matter of such vital concern to the human race, at least to make suggestions in negotiating a first-stage agreement with the U.S.S.R.

Apart from disarmament there was consideration of political crises. One had to do particularly with Syria. The Syrians lodged a resolution with the secretary general that would provide for a discussion of the threat to their security on the Syrian-Turkish border. Several efforts were made toward negotiation in that regard. I was there when the debate opened and I can still remember the polemics and the propaganda that were indulged in by the chief delegate for the U.S.S.R. Our approach to that problem was that any nation such as Syria should have the opportunity to bring before the general assembly what it thought was a threat to its security. That did not in any way indicate that we had in mind that Turkey as a responsible member of NATO would act in an irresponsible way. But we endeavoured to provide every possible way of finding out the facts.

Hon. members may recall that King Saud of Saudi Arabia offered to intervene and mediate, and there were suggestions that the security council might come into the picture. In association with Japan, Denmark, Norway, Paraguay, Peru and Spain we put forward a resolution that would call attention to the availability of the secretary general for consultation between Syria and Turkey, or even the availability of the secretary general to carry on an investigation; and then rather dramatically Syria and Turkey decided that the debate should be terminated.

I said it was dramatic, but it was not very spectacular. I do not think the press gave it enough publicity. It really was a product of what the secretary general of the United Nations has said of the United Nations "diplomacy of reconciliation." There in the general assembly these charges and countercharges were exchanged, and it was undoubtedly felt by the U.S.S.R. that it was up to Syria in this regard; that they were losing the battle of polemics and that their propaganda concepts and objectives were being turned against them. That was indeed a victory for the United Nations and for the participation of the nations of the world in that debate in the general assembly.

It would be an illusion, Mr. Speaker, to think that the underlying causes of tension in that area, and the fever and the rise in tempers, are gone. We would all hope that the diplomacy, the reconciliation which was provided by the United Nations could be again brought to bear on the lowering of the fever and on the lowering of tempers.

I now desire to say something about the United Nations emergency force in the Middle East. Notwithstanding press reports today with respect to another sector, the Jordanian-Israeli border, of which we in the department as yet have nothing more than we have read in the paper, I can say that the record of UNEF, the United Nations emergency force, has been one of great satisfaction not only to the U.N. but to the world. There have been on the border few incidents in recent months. Indeed, I was talking to Major General Burns and he told me that in the last few weeks there have not been any incidents on that border. Undoubtedly UNEF contributed at least to arrest the movement that might have resulted in war, and we in Canada must be proud of our participation in that force. One-fifth of the force come from Canada, 1,200 out of 6,000. We must take a particular pride in the commander in chief of the force, Major General E. L. M. Burns. On all sides he was praised by members of the general assembly in the debate that took place last Friday morning. I would say, in the words of our Prime Minister who spoke to the general assembly in September, that as long as the United Nations considers the presence of the UNEF in that particular area as necessary, Canada will continue to support by participating in its composition.

The secretary general in his recent annual report, having mentioned the temporary nature of the force, with the limited mandate in a particular area, went on to say that the value of such a force in such situations has been fully demonstrated. I would certainly subscribe to that view, as all the delegations from the west would. In that report the secretary general suggested that an agreed stand-by plan for a United Nations peace force which could be activated on short notice might be given consideration. Small wars, small conflicts, expand into great wars, and if agreement could be reached on the establishment of such a force I would think it would be a most significant step in making the United Nations a more effective organization for the maintenance of peace.

The establishment of the United Nations emergency force as an experiment gave rise to certain consequences, and one had to do with money. The estimated cost of the force during the period from November, 1956, to December 31, 1957 is in the region of $30 million. Against this sum the total amount received or firmly pledged so far is some $24 million. That includes the recent offer from the United States of $12 million and the recent offer from the United Kingdom of $1 million. It now appears that there will be a shortfall for the period ending December 31, 1957, of approximately $3 million to $4 million. It is estimated that in the year 1958 the force will cost $25 million.

I have used these figures, and I do not regard them as large or high when you put into the balance the great benefit that has followed the establishment and deployment of that force on that border, the release of tension thereby preventing further expansion of the conflict in the area. On Friday last I introduced in the general assembly a resolution for which 20 other countries offered their co-sponsorship. That resolution reaffirmed the principle that the responsibility for additional funds required in 1958 for the maintenance of this force should be shared by all members of the United Nations in accordance with the scale of assessment that is invoked for the normal United Nations budget. That resolution was adopted despite the opposition of the U.S.S.R. bloc, and was adopted by a larger majority than we expected, with the result that I can say to members of the house that the financing of UNEF is now assured.

Other Middle East isues continue to be the centre of attention at the United Nations. One of them has to do with the grave plight of the Palestinian refugees, and in this context one cannot say that any real progress has been made during the past year. The United Nations relief and works agency for Palestine refugees in the Near East, to give it its full title, has continued to provide essential rations and other relief services, but shortage of funds has increasingly hampered the agency in its effort to maintain these services or to proceed in an orderly way with the limited rehabilitation projects possible under present conditions.

I am happy to report that Canada during the past nine years has been the fourth largest non-Arab contributor to Palestine refugee relief, and in 1957 Canada was the third largest contributor. We have continued to urge other countries that they should accord greater support to UNRWA in order that there will not be a further decline in the standard of living of these unfortunate refugees. The estimates for 1957-58, at present before the house, seek approval of a Canadian contribution to UNRWA of $750,000 to cover the 18-month period ending December 31, 1957. When the estimates for

1958-59 are brought before the next session, parliament will be asked to approve a Canadian contribution to UNRWA of $500,000, which is relatively the same as the figure of $750,000 in relation to 18 months.

Before I turn from the United Nations I desire to inform the house of certain other contributions to the United Nations extra-budgetary programs. The following amounts are included in the 1957-58 estimates at present before the house to cover Canadian contributions to these programs of the United Nations during the calendar year 1957. In the 1958-59 estimates parliament will be asked by the government to approve Canadian contributions of the same amounts to cover the programs of these organizations during the year 1958.

These are the amounts. In addition to UNRWA there is $2 million to the United Nations expanded program of technical assistance, $200,000 to the United Nations refugee fund and $650,000 to the United Nations children's emergency fund. All these proposed contributions are on the same scale as those to which the previous parliament gave its approval.

I turn now, for want of time but not for want of subject matter, from the United Nations to another vitally important sector of our foreign policy.

Mr. Macdonald (Vancouver-Kingsway): Would the minister permit a question? I wonder whether the minister could assure the house that notwithstanding Canada's negative vote in the economic and social council, Canada will support the SUNFED program which is currently being debated in the general assembly.

Mr. Smith (Hastings-Frontenac): I am very happy to respond to that question. There are negotiations going on now at the United Nations—the Minister of Finance referred to this in the house last week—with respect to the providing of financial assistance outside of the Colombo plan to nations not only in southeast and south Asia but throughout the world. I would ask the hon. member to believe me when I say that I do not regard the negative vote against the proposal of SUNFED as indicating that the Canadian government will not support a proposal that I hope will come out of the negotiations.

Those negotiations are still being carried on and, as the Minister of Finance stated, the government has not yet heard of their results and has, of course, made no decision. When the decision in that regard is made the government will quickly inform the house. Without going into the details—and it would not be fitting for me to disclose the details of negotiations—I think perhaps another proposal will be even more helpful to these underdeveloped countries than the particular SUNFED plan.

If I may leave the United Nations and go to the Colombo plan, I doubt, Mr. Speaker, whether there is any single task in the international field which Canada has undertaken that should receive greater approval and endorsation from Canadians of all walks of life and all political persuasions. No reasonable man could doubt the benefits which this type of enterprise is bringing to all of us in the western world, in the non-communist world, to put it that way, whether we are benefactors or whether we are beneficiaries of the operation of the Colombo plan.

Two of my colleagues in the government have recently been in south and southeast Asia, the hon. member for Greenwood (Mr. Macdonnell) and the hon. member for St. John's West (Mr. Browne). They have returned to Ottawa, and from each of them I have heard of the unceasing struggle of the undeveloped countries in that part of the world to raise their standards of living. The hon. member for St. John's West, who attended in my place the Saigon meeting of the consultative committee of the Colombo plan, can testify to the benefits that have accrued from Canada's investment in these particular projects.

These grants, hon. members of the house —and I say this from the bottom of my being—are not hand-outs. We should really think of them as helping hands. There is another feature, members of the house, about our investment in the Colombo plan. Famine, distress and low standards of living create the seed-beds of unrest and indeed could create—and in some instances have done so—the seed-bed of war. It worries me to talk in this vein, but if anyone wants to talk about these matters in mere monetary terms, I would offer a good argument and, I think, a conclusive one that in time these countries in which we are making investments will become good customers and provide much opportunity for Canada. But I put that suggestion forward in second or third place.

As some hon. members of this house know, particularly the hon. member for Algoma East (Mr. Pearson), the Colombo plan was a concept initiated and brought about in the commonwealth. Here is another instance of the commonwealth creating a nucleus which in due course produced a strengthened, forward-looking and beneficial international enterprise. In the routine aspect of carrying forward the program under the Colombo plan there always has had to be and there will

have to be discussions with engineers, administrators and economists. Then there will have to be discussions with the countries to whom help might be offered, as to their needs. When decisions in that regard are made, Mr. Speaker, we will of course report to the house.

On November 22 in this session of parliament the Prime Minister informed the house that the government will seek parliamentary approval of an appropriation for 1958-59 of $35 million. The estimates that will be considered in a few days provide for a contribution of $34,400,000. We are proposing an increase of $600,000 for 1958-59.

Time does not permit me to go into detail with respect to other parts of south and southeast Asia but in passing I would refer to the work of the international commissions in Indochina. The task of the commission in Cambodia is, in our opinion, about completed. There have been difficulties in the way of dissolving or disbanding the commission. In Laos where we are members of an international commission, after nearly three years of negotiations between the royal government and the Pathet Lao, an agreement has finally been reached whereby the Pathet Lao which has been controlling one part of Laos will be integrated into the national community. I seize this opportunity to say that we sympathize with the desire of the Laotian people to achieve a political settlement within the terms of the Geneva agreements of 1954. We hope that this latest development will result in a strong Laos and a continuation of the democratic approach that has been followed by the royal government.

Viet-Nam remains divided. It is in this area where the sort of international supervision that is provided by the international commissions has been most important for the maintenance of peace.

In relation to south and southeast Asia I would reiterate what I have endeavoured to say, namely that the recent visits of ministers of the government to that part of the world should be taken as indicative of our interest in the area, our close interest in commonwealth ties, our desire to help the countries of the area to improve their standard of living and of our willingness to do our part in preserving peace.

A few moments ago I mentioned the commonwealth. May I interpolate here—and this is a personal note—that after I reached the United Nations in the middle of September I was asked to attend a meeting of the commonwealth group. It was not a bloc but a group. I am sure that no one else in the room could appreciate how thrilled I was, indeed how excited I was, at that first meeting. Here sitting around a horseshoe table were representatives of ten independent nations of the British commonwealth, men and women coming from various climes, of various religions and cultures. There they sat. It seemed to me—and this is the basis of my thrill and of my excitement—that there was before me a brilliant page of British history, the bringing of colonies to nationhood. There was no treaty binding them together. Indeed I would say, for the want of a better word, that there was something mystical in their adherence to common ideals of the dignity of the individual, of justice, fairness and fair play.

I now come closer to home, Mr. Speaker, and I desire for a moment or two to mention our neighbours in this hemisphere. I would point out first our relationship to the republics of Latin America. Some of my first conversations at the United Nations in September were with representatives of the republics of Latin America. Since I have been in Ottawa I am gradually beginning to get to know better the ambassadors from Latin America. I know that in the assembly and the councils of the United Nations our Canadian representatives over the years have acquired a deep appreciation of the strength, the wisdom and the vision which representatives of the Latin republics have brought to the discussions, deliberations and decisions of that body.

I refer, just by way of example, to only two. Colombia and Brazil made contributions in men and equipment to UNEF. Colombia and Brazil have each served three times on the security council. I think of Brazil today, which is the largest Latin nation in the world, with a population larger than that of Spain or Italy or France, with enormous natural resources scarcely tapped, a country of great promise. We have traded with those countries over many years, indeed for a century I am informed. I hope that the substantial volume of our two-way trade with the Latin American nations today is only a stage on the way to greater expansion.

But it is only in the post-war years since 1945 that there has been an increased exchange of personnel, visitors and businessmen between Canada and the Latin American republics. Attending our colleges and universities are a considerable number of students who have come to us from Latin America. Visitors and tourists are increasing. Commercial aviation has been a significant factor in helping us to become better acquainted with the Latin American countries. The Mexican air line operates a regular service

between Mexico City and Windsor, Ontario. Our own Canadian Pacific Air Lines now ranks as a major air service in the Americas. Those 20 independent nations are playing an increasing part in deliberations that are designed for the solution of international problems—and I express the hope that the cordial relations which now exist with those 20 nations will be enhanced and increased.

I come now, Mr. Speaker, to our closest neighbour, the United States. A kindly providence has willed the geographical location of that country with respect to Canada. With the United States we share a continent and a common heritage from many lands beyond the seas, moulded around political philosophies which have become, in some measure perhaps, the central core of the institutions of both our countries. These philosophies, coming from our twin motherlands, Great Britain and France, have been shared by us as comrades in arms during two world wars. Again, when we fought with the Americans under the flag of the United Nations in Korea, we Canadians knew the value of our American friends.

We have been in close association with our neighbour in the United Nations and we also work closely with them in NATO. Particularly those of us who remember the years before the first world war, welcome their assumption of world leadership during the last two decades. I must however observe that sometimes in pursuit of common objectives the means chosen by the United States to effect these ends may have side effects which are injurious to Canada and which in many instances are not made clear to the American people and of which therefore they are not properly aware.

When we in Canada consider that such effects may stem from any action or inaction on the part of the United States and may affect what we deem to be the best and just interests of our country and our people we must, without petulance or sophomoric sensitivity, seek from our United States neighbours the consideration of those effects. There is nothing wrong or improper with conscientiously facing the problems or difficulties separating true friends. This is also true in the field of international relations. What to my mind would be wrong and improper would be for us to dig and dig for slights and to magnify oversights. It would be equally wrong on the part of Canada and equally improper for the two governments to allow old and burning problems to fester, if I may use that word, and to continue unresolved. It is in that way that misunderstandings grow and fair-mindedness of the people and their governments may be warped. There have been problems between our countries throughout our history. The territorial part which we know as Canada did not exist in the early days but those who have read the biography of Sir John A. Macdonald by Professor Creighton will appreciate what I have been saying.

From those early years there have been problems between us and they have continued, indeed, down to our present difficulties with respect to the United States wheat surplus disposal programs. I declare, Mr. Speaker, that considerate frankness will not endanger true friendship between our countries. Above all, it is of paramount importance to international peace that Canada and the United States, unequal as they are with respect to military and economic force but equal in their common respect for the dignity of the individual, should set a continued example to the whole world of how friendly nations can live together.

May I state as simply as I can how I see the development of our relations with the United States. We must be friends; friendship however means something more than the absence of enmity. Friendship really means the existence of positive and effective interest on the part of each nation in the welfare of the other.

In recent weeks we have been dramatically stopped in our tracks; we have been forced to give closer examination to our collective security arrangements by reason of the success of the U.S.S.R. in the launching of the intercontinental ballistic missile and in the launching of two earth satellites. It has been a shock but it has had a salutary effect in terms of the re-appraisal of our common defence.

We in the democracies are apt to relax until pressure is brought upon us by the course of events; then we jump into action. I do think that in this age of infinite risk we should have some concern about this characteristic tendency to relax in the absence of pressure. That attitude of relaxation when there is no pressure on us may, and in this case probably has, tempted fate. However, we have now been dramatically reminded of the terrible menace of nuclear warfare and as a result all members of NATO recognize they are faced with the necessity of making far-reaching decisions in the military field while, at the same time, having to cope with political problems of exceptional complexity. I claim your indulgence at this time as I desire to make a careful statement in this regard. I wish to say a word about military and political problems because I think the success of NATO in rising to the occasion will depend largely on how it can merge its military and its political objectives.

Despite soviet accusations that NATO is an aggressor and was designed for aggression, the sole military purpose of NATO—this has been declaimed over and over again and we have no reason to doubt it—is to deter aggression by providing firm evidence that aggressors would be quickly and successfully met if they should attack any member of the alliance. In NATO there is a formidable capability—as General Norstad stated in Ottawa 10 days ago—to deter aggression. In this connection he also said that this capability is not altered or modified by the possession by any other power of a nuclear intercontinental ballistic missile.

This is a field, I am aware, where theories abound and often conflict. I do not intend to do more at this point than to state the government's position, indeed its conviction, that the value of NATO as a deterrent remains intact and that it is incumbent upon us—we who have banded together in NATO—to exploit the opportunities which exist for closer co-operation in the fields of military, economic and scientific affairs.

We must seek for co-operation by increased exchange of scientific and technical information and from the stimulation of scientific education and research in the NATO countries. We should be able to find that further co-operation is possible in the economic production of modern weapons.

Military problems will loom large on the agenda of the NATO meeting which is to be held next month in Paris but, in the minds of many governments and of many peoples, that meeting will be judged just as much by its achievement in the non-military field as in the military field and, with the challenge of communism all the time advancing, NATO must move with the times in the field of politics.

It is dreadfully essential that we of the NATO alliance should intensify and develop our military contribution. But that is not enough. It is essential that we should work together to improve our machinery for consultation and promote the intimacy of our intramural understanding. These obligations are with us and they must be observed, but they are limited. To confine ourselves in NATO to attaining them alone would be to cultivate our own interdependence as members of NATO without realizing that the health and strength of the alliance depends on its relations with the world outside. There is, in other words, a global interdependence in this age of scientific discovery and nationalist ferment, and it is important for us and important for NATO not to underestimate that need.

No one should think of letting down his guard at the present time; no prudent man can deny the need for defence insurance. What I am suggesting is that the security organization will be successful or unsuccessful according to the degree of intelligence with which its political policies are formulated and pursued.

To give an example, I turn for a moment to the problem of soviet activity in uncommitted neutral states. This is a serious and growing danger. How are they going? Are they going toward the soviets or toward the west? This cannot be ignored by NATO members, and yet NATO as such is perhaps not well equipped to deal with such a problem. The difficulty lies in the fact that while the Asian and African nations which are uncommitted have no more desire than we have to see greater domination of other countries by the U.S.S.R. Having regard to the historic relations they have had with the west and having regard to their desire to flex their muscles as new and independent nations, they might think that the steps which are being taken at NATO are designed for our security, and of course they are, and they would not necessarily adopt them wholeheartedly as their measures.

We must recognize, too, that nationalism is not necessarily synonymous with communism in young countries, but we have to realize also that nationalism has been exploited by communism. There are real risks in dealing with these uncommitted nations. Their peoples may succumb to the blandishments and to the plausible and insidious appeal of soviet tactics, but we must respect them as independent nations. We must work with them and assure them that we regard them as independent nations, and try to establish a mature and wise relationship with them. Or, to put it another way, unless we assure them by word and deed that our participation in NATO is complementary to and not in conflict with our membership in the commonwealth and in the United Nations we may not be able to make much appeal to them.

Canada is a middle power with roots in the three associations, in NATO, in the commonwealth and in the United Nations. I think Canada has a special reason for avoiding an absolutely rigid dependence on any one of these organizations as the sole instrument or channel of its foreign policy.

I come now to my final point in relation to the NATO meeting projected for Paris in December. The house will not expect me—and even if it did I could not do this—to predict the specific terms of the agenda or the likely outcome of the deliberations. I am more concerned to suggest to this house the general philosophy which I think should govern our approach to that meeting. We

must, as I have already indicated, start from the premise that new and intensified efforts at military and scientific co-operation are essential, and we must be prepared to do our part in developing that co-operation. We must, in the second place, in view of the unhappy events of the last two or three weeks, renew our determination to consult frankly on issues which have caused, or are likely to cause, divisions in NATO. And, thirdly, to return to the point I was trying to make a few moments ago, we must assure the world outside NATO that no one need fear aggression from us; that far from regarding the forthcoming meeting as an end in itself, the whole world, including ourselves, regards it as a symbol of our determination to protect ourselves and, no less important, of our genuine and sustained interests in finding ultimate peaceful solutions to the issues that divide us from the communist world.

I have endeavoured to put before this house a diagram of Canada's relations with other nations. Nothing that I have said should obscure our intense resolution to reduce tensions between the west and the U.S.S.R. No sane person could run the risk of shutting any promising door on the possibility of co-existence. Yet—and this is not double talk—we should not fall into a propaganda plot; we should not be lulled into complacency by empty or hollow professions such as happened after the Geneva meeting. We must keep up our defences pending the arrival of the day for which we have hoped, the arrival of the day of substantial mutual trust between the west and the east. And I should add this: we must have convincing proof that the U.S.S.R. has abandoned its policies of domination. Co-existence cannot be used as a cover for subversion on the part of the U.S.S.R. in free countries. What I have been trying to say, sir, is that we must keep our powder dry and put the hand out.

Mr. Speaker, I have just been handed a message. President Eisenhower has sustained a cerebral spasm, apparently very serious. The White House now says it is a form of heart attack. That is not unrelated to what I have been trying to say.

Hon. L. B. Pearson (Algoma East): Mr. Speaker, before I say anything else I think I will be voicing the feeling of all hon. members of this house when I express our sense of shock and regret at the news we have just heard; of the tragic misfortune which has befallen a great president of a great country, a man who has served not only his country but our own country and the world in war and in peace. We must hope, Mr. Speaker, that this misfortune is only temporary and that the president will soon return to health and vigour. The information which I have received is to the effect that this is likely to be the case. I know we will all hope sincerely that is the case.

And now, Mr. Speaker, I would also like to congratulate my hon. friend who has just spoken, not repeating the congratulations and good wishes which I have already addressed to him in the house and outside the house, but to thank him for his comprehensive and very interesting review of the international situation as he sees it. I know that he has not been in office very long but he has already entered into the duties of that office with vigour and, I know, with the highest ideals. Perhaps I may say now what it was not possible for me to say when I occupied his position, that I am sure he is already grateful for the help and assistance he has received and will receive from the officials of the Department of External Affairs, a body of men who I think are not excelled in intelligence, devotion and industry by the foreign service of any country in the world. Perhaps I may also be permitted to thank him for his very kind words about the honour that has been recently bestowed on me because of my work in external affairs over the years.

The minister referred to his election and to the fact that he was not opposed in that by-election and expressed the hope that perhaps this would be the beginning of a habit. I must tell him that when I entered the house in a similar way in a by-election some years ago I was also not opposed by a Conservative candidate but in my case it was not the beginning of a habit and I suspect it will not be in his case either. However, we noted with interest how successful he was in what I might call a "dry run", or perhaps a "red run" would be more appropriate in this case.

In regard to what the minister has said about the necessity of maintaining good relations with other countries and in regard to the principles he laid down which would help to bring that about—and I am not going to go into this in detail—we on this side are of course in complete agreement. He did not —and I do not criticize him for this—go into detail on some of these matters but in regard to the principles he enunciated I am sure there will be no disagreement on this side of the house.

It is a good thing for parliament to develop and maintain as much unity as is possible in such things as external affairs and as I have said more than once—and on more than one occasion I have been the beneficiary of this sentiment—however vigorously we

may disagree in this house on domestic affairs and indeed on foreign affairs when it is unavoidable, we should do our best to bring about a situation where it is possible for politics to end at the water's edge.

So far as the foreign policy of the present government is concerned, in so far as we have been able to determine it during its short period in office, there does not seem to have been very much change. I think we on this side can welcome that for the reasons which I have just indicated. But as events a year ago showed there can be division, even vigorous if not bitter division, in this house on fundamental questions of foreign policy. If I detected in some of the observations of the minister a change in attitude on some of these matters from that which I experienced in the house about a year ago perhaps that is an evidence of the chastening effect of responsibility in office. In that connection I think the minister's references to the United Nations are an example of what I have in mind. It was just about a year ago on January 22, 1957 that the present Minister of Trade and Commerce (Mr. Churchill), as reported at page 527 of *Hansard* of that date, said:

—we are making a great mistake—

The hon. member at that time was criticizing our policy at the United Nations. He said:

—we are making a great mistake in placing too much reliance on this organization—

He meant the United Nations—

—for the preservation of peace.

He later added in his statement that it is the height of folly to place so much dependence on it. When he was itemizing the factors on which our foreign policy should be based he placed the United Nations at the bottom of the list at that time. The other factors mentioned by the present Minister of Trade and Commerce were the commonwealth, NATO, the United States and then the United Nations. Therefore I heard with some satisfaction the Prime Minister's (Mr. Diefenbaker's) statement at the United Nations on September 23, 1957 which has been referred to and indeed this particular paragraph was quoted by my hon. friend, the Secretary of State for External Affairs (Mr. Smith). The Prime Minister said:

Support of the United Nations is the cornerstone of Canada's foreign policy . . . we believe it will grow stronger—

I echo that observation.

—because it represents . . . the deep longing of mankind to strive for and attain peace and justice.

There is a relationship, I think, between this feeling that the United Nations is the cornerstone of policy and the policy which we on this side tried to bring about last autumn when we were in office in connection with the Middle East. It will be, of course, very fresh in the minds of many hon. members of this house that last autumn some members of the present government when they were in opposition rejected United Nations' intervention in that dispute and attacked us very vigorously for supporting and indeed doing our best to initiate and strengthen such intervention. That Canadian policy which was based on support of the United Nations in this matter was characterized by hon. members opposite at that time as abandoning our friends. Indeed, they used stronger language than that and again I quote the Minister of Trade and Commerce when he said on November 27, as reported at page 100 of *Hansard*:

—why in the world should we not have stood by our friends and allies . . . But no, in their hour of need we stood on the sidelines.

Well, Mr. Speaker, I did not think it was fair then to say we stood on the sidelines and I do not think it is fair now to characterize our action in those terms. We did not stand on the sidelines, but rather we did our best to support United Nations' intervention. If we at that time had followed the policy which was advocated by some hon. gentlemen opposite we would have had to vote against the intervention of the United Nations in this issue at all, and if that motion had carried and if the United Nations had not been permitted to intervene, believe me the United Nations today would not today be the cornerstone of our foreign policy.

Indeed I doubt whether the United Nations as a political organization would have been able to survive that kind of decision.

Mr. Speaker, that was one reason why I myself greeted with great pleasure the appointment of my hon. friend as Secretary of State for External Affairs. I recall how at that time he had taken what I thought was a very sound and forthright view of the Suez crisis and our policy toward it. I remember that when speaking in Quebec on April 3, 1957 to the English-speaking union in that city he said, according to the press report:

The role of Canada in the great British family of nations had been particularly noticeable and brilliant during the Middle East crisis last autumn.

He also repeated on that occasion what he said today, and I could not agree more with him, that Canada's foreign policy is not merely a reflection of the United States or of the United Kingdom. This is from the press report:

Using the Suez crisis, as an example, Dr. Smith showed that this independent policy—

This Canadian policy, working through the United Nations—this is my own interpolation—

—had not broken the ties and had not weakened the structure—

—of the commonwealth; I confess, of course, that when my hon. friend assumed office a little later—and we would not expect him to do otherwise—he characterized our action of a year ago in somewhat less forthright terms of approval, but he did say that he agreed in the main with what we did then. He made the qualification, however,—and I think it is an important one—that there could have been better communication within the commonwealth on this issue at that time —I agree with that, but I think it was not the fault of a Canadian government that there was no communciation at that time in regard to the Suez crisis. Perhaps at this press conference the minister might have pursued the matter a little farther but the Prime Minister interrupted him at that point.

In his statement I thought the minister made some very appropriate references to the commonwealth and to the important part it is playing in the world and the important part it should play in our development of foreign policy as well. He mentioned his own feelings when he went down to the United Nations and for the first time sat around the table with the 10 members of independent commonwealth governments from all the continents of the world except perhaps South America. I remember also—and perhaps this is an even more dramatic tribute, dramatic evidence, of the value of this association—sitting around the table with those same commonwealth members a year ago when we were not in agreement on important policy, when we were split not only two ways but three ways and four ways and yet during those difficult and indeed tragic times that friendly, fraternal association characterized by those meetings around the table persisted. Surely, Mr. Speaker, that is the real test of an association, the ability to remain in friendly and intimate contact when you cannot agree on policy. Even when we do not agree on policy within the commonwealth we always try to agree, and that is the test of an association.

Perhaps I might join with my hon. friend in welcoming into this association the new independent state of Malaya. I recall how fitting were the words he used at the United Nations on the occasion of the entry of Malaya into the United Nations. That entry into the commonwealth of another Asian state, Mr. Speaker, underlines the fact that this commonwealth of nations is now in its membership predominantly Asian-African.

Of course, the core, the heart, the centre of it remains the United Kingdom, and it will always be that; but five-sixths of the population of the nations of the commonwealth are now Asian-African.

That introduces new problems of commonwealth relationships which will undoubtedly —it has already—introduce certain difficulties which have at times resulted almost in strains to our relationship. But it also gives us new opportunities inside the commonwealth, and perhaps one of the greatest and most valuable roles this association can play—and this has been said by many people before—is that it can act, it can become a bridge—it is now a bridge when there are very few bridges indeed—between Asia and the west. I join with my hon. friend in the hope that we shall do everything we can in this country to maintain and strengthen the association.

The minister also spoke of the work going on at the United Nations and I should like to congratulate him, the vice-chairman and other members of the delegation on what I think is the constructive part they have been playing down there in New York. I know a great many of the discussions, of the most difficult discussions, have centred around disarmament and I know they may have been disappointed, though they worked very hard indeed to bring about a compromise. They must have been disappointed when their efforts were not successful but only because the soviet union has refused to participate in the new committee which they and other delegations were successful in setting up. But I would not myself indulge in any great disappointment in that failure in substance because if it were not possible to work out these armaments problems in a subcommittee of five, including the four great powers, then I doubt whether a committee of 25, even with a broader composition, and including more points of view would have any greater chance of success.

I also agree with what the minister said about the effort to bring about a ban on the use of atomic and nuclear weapons. This is something that appeals to us very much indeed and must do so when we contemplate the effect of the use of those weapons on our very survival; but nevertheless it is essential, as it was considered by us when we were in office, that prohibition of that kind, to be effective and to bring about not only the ban but the confidence and trust which must go with a ban of this kind, must be surrounded by adequate provision for inspection and control. That is where the main difficulty occurs, and a difficulty which it has not yet been possible to surmount.

I would also like to join with the minister in the tribute he paid to the United Nations emergency force for the fine work it is doing in this tense and disturbed area of the world under a distinguished Canadian. Perhaps the importance of that work can be exaggerated, but nevertheless that force did bring some kind of order to a border which was in flames.

If it had not reached that area at that time and come between the opposing forces that limited conflict might have spread into something much wider, deeper and more catastrophic.

Therefore, this particular experiment, because that is all it is, has shown that the United Nations can be useful in that kind of operation. I congratulate my hon. friend for the resolution which he introduced on behalf of the Canadian delegation which would, I hope, have the effect of making this kind of thing more permanent, make it easier to set up a permanent organization and perhaps encourage the construction on those foundations of something which will be of more permanent value.

The minister then went on to talk about relations with the United States. I suppose in so far as difficulties and problems are concerned no relations between Canada and any other country—I am talking now about difficulties and complications—are as important as those with our neighbour, the United States, which, in the words of the minister, a kindly Providence has willed should be our closest neighbour. There have been occasions in the house when it has seemed to me that on some sides there has been inadequate recognition of the kindliness of Providence in putting us alongside this great neighbour. But, nevertheless, when the dust of debate clears away we are all conscious in the house of that good fortune when we compare our lot as a middle power alongside the United States, which may be a bigger power but is a partner power, with that, if you like, of a satellite communist nation alongside the Soviet union.

The minister said, I hope I am not misinterpreting what he said, that perhaps we did not make our position sufficiently clear to our neighbour when they took action which had a harmful effect on us. He went on, and I agree with him, to say that we should not be afraid to talk to them about mutual problems in a very frank and forthright way. I agree with that, Mr. Speaker, and that is one reason why I should talk this afternoon about one matter which seems to me to be not only important in our relationships with our neighbour but which might, if we are not careful, lead to difficulties and complications which could be avoided. I talk about this also because there may not be any other opportunity during this session and it certainly is an important aspect of our foreign relations.

I refer to the continental air defence agreement with the United States. I am going to ask a good many questions about it because I think we are entitled to ask these questions. We have done so already in this House of Commons and I do not think that we have received answers which clear up our worries about this subject. What is this agreement? How was it reached? Well, Mr. Speaker, we do not yet know. There have been answers to questions in the house. I and members of the opposition have characterized those answers as confusing and contradictory, a characterization which has been repudiated by the Prime Minister. I think, however, it is accurate to say that the answers have not been very clarifying and that the two statements made by the Prime Minister on this subject have not added much to the clarification to which I think we are entitled.

It was complained by the Prime Minister himself, that we are pressing for secret security information. That, Mr. Speaker, is not the case, as I hope to show. But I do think that the house, and through the house the country, should be given at least as much information about this matter and the implications of it as is being given to the people of the United States by the secretary of state, Mr. Dulles. Indeed, it is in part the statements that have emanated from Washington and other places in the United States by persons in high positions of responsibility that have made it all the more necessary in our view that more information should be given here.

I do not think it is fair and I do not think it is right that responsibility in regard to this matter should be evaded by accusing us of asking for information which cannot be given on security grounds, and I do not think it is accurate to try to draw any parallel with the Ogdensburg agreement which is not the same kind of agreement at all and which was in fact tabled and discussed in the House of Commons.

The Prime Minister said the other day that we were departing from the normal course followed in the house in asking for this kind of information. I should like to quote to him from some of his previous speeches or if I cannot do that at the present time I should like merely to remind him of some of the speeches he made when on this side in regard to parliament's right to know. It has been suggested by the Prime Minister and I think

by the Minister of National Defence (Mr. Pearkes) that this North American air defence command, NORAD, is a normal development of NATO and that the arrangements regarding it were made through the United States-Canadian planning group of NATO, one of the regional groupings of NATO.

But I would point out, and there should be no misunderstanding on this score, that the NORAD air defence command or, indeed, continental defence generally—I am talking about North American continental defence generally—is not directly related to NATO at all and this particular headquarters is not a NATO command in any sense of the word. I wish it were. There is no NATO supervision or control of this organization, this agency. The regional planning group of NATO to which reference has been made is something very different indeed from a NATO command.

What we would like to have in connection with this important development in United States-Canadian relations is not any secret information about the plans which this agency may be developing or the representatives of the two defence departments may be developing. What we would like to have is information about the principles under which it is operating, the relations of the two governments concerning it and some statement which will clear up the contradictions which we think have already been made. Certainly we would expect any intergovernmental agreement, as it has been called, between the two governments of a formal, binding character to be made public but that is very different from saying that we would expect the plans under that agreement to be made public. Some of these are obviously bound to be secret and could not be made public.

That, Mr. Speaker, is what we did with the North Atlantic pact. When that was tabled, discussed and debated in the house for two or three days it was not, as the Prime Minister said the other day, primarily because it meant Canadian troops would be serving under it beyond the confines of Canada. When we discussed NATO we did not know at that time where they would be serving. In any event, if that is the main reason for bringing agreements of this kind before the House of Commons, I suppose under this agreement there will be Canadians serving outside Canada in the United States of America. Indeed, some are there already.

So far the information we have on this agreement is, as I have said, in our view confusing and contradictory. Therefore I should like to ask a few more questions concerning it. For instance, I should like to know how much consideration was given to a plan of this importance? Was it discussed in the cabinet defence committee? How often was it discussed in full cabinet?

Mr. Green: Mr. Speaker, may I ask the hon. member a question?

Mr. Pearson: Yes.

Mr. Green: Is he asking members of the present government to disclose on how many occasions this question was discussed in cabinet?

Mr. Bell (Saint John-Albert): That is what he said.

Mr. Martin (Essex East): No; he did not.

Mr. Green: If so, how does he justify asking a question of that kind in view of the oath he himself took when he became a cabinet minister?

Mr. Pearson: Mr. Speaker, that is not a very difficult question to answer. Indeed, when the Prime Minister was talking about our own relationship to this matter, he did not hesitate to put on the record communications about cabinet discussions, as he thought they were, on this subject. They were communications which did not make it clear from whom they were or to whom they were addressed or whether or not they were cabinet documents. I am not asking what was discussed in cabinet concerning this or any other matter. I am a privy councillor. I have taken the privy councillor's oath and I know what it means.

Mr. Green: You had better read it again.

Mr. Pearson: I am trying to find out—if this matter is so important as has been indicated—how much consideration was given to it in cabinet, whether it was discussed interdepartmentally or by the cabinet defence committee before it went to the full cabinet. Surely there is no violation of the privy councillor's oath of secrecy in disclosing that kind of information. Perhaps, Mr. Speaker, we should not be so greatly interested in this matter now if more information had been given about it when the agreement was first announced to the press at a time when it caused a great deal of attention. I think it was last August when it was announced at a press statement, after which a press conference was held in August by the Minister of National Defence. So far as the press statement is concerned, it merely states that an agreement has been reached presumably between the two governments, to set up a system of integrated operational control of the air defence forces in the continental United States and Canada; that for

that purpose an integrated command in the United States under a United States commander was set up with a Canadian deputy, and that plans and procedures would be worked out.

When it was asked in this house: Are these plans for an integrated defence under this organization now effective, the Minister of National Defence on November 5 said "yes, on an interim basis until the formal agreement has been drawn up". But he will agree with me, I know, when I say that when this matter was first made public and when it caused so much interest no mention was made of this two-stage procedure. Therefore what is the nature of this interim agreement between our two countries, on such an important matter, under which this headquarters is now operating? What is the formal agreement contemplated to which reference has already been made? Can everything be done under this interim agreement which is contemplated under the formal agreement?

At the August press conference to which I have referred the minister, dealing with some of these questions, said that the integrated headquarters would develop plans and procedures required for the tremendously rapid decisions which will have to be taken. There is no doubt that in an emergency they will have to be taken rapidly but they will be taken by whom? At a press conference the minister said, and I quote from a record made at that conference:

> I think that the commander (who would be an American) or in his absence the deputy commander will decide on the proper action.

That is a quotation from a record made at the press conference. Then, as he is reported, he went on to say this and I quote again from this record:

> It is a matter of seconds—there is no time for consultation. If war comes they will put their agreed-on plans into effect.

Does that mean, Mr. Speaker, that this can be done and the decisions to which reference has been made therefore taken only "if war comes"?

The minister appeared to answer his own question, and this is where some of our confusion began when, according to this report, he added that the joint operational control will become effective "as soon as a group of planes has been determined to be hostile". That means that that decision might have to be taken—and I certainly agree with this—before war comes. Therefore, in the light of this press conference and in the light of the statement made at that time, surely hon. members opposite should not have been surprised when we had some questions to ask about this matter on the assembly of parliament. What about the answer to those questions in parliament in clearing up some of these ambiguities of the earlier questions and answers? On November 5, in answer to a question—and I may say that I am quoting from page 758 of *Hansard*—the Minister of National Defence said this:

> —the arrangements for setting up this command—

That is NORAD.

> —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 . . . and followed closely the procedure which had been set up during the Mackenzie-President Roosevelt conversations before the last war . . . for the mutual defence of this continent.

I contend, Mr. Speaker—and I have already said this—that there really is no basis for that kind of parallel at all between those two situations. The NATO treaty was debated in this house for days and the Ogdensburg agreement was also discussed before the house. Yet on the same day the Minister of National Defence, in answer to another question, seemed to me to contradict his own statement at the press conference of August. As reported at page 758 of *Hansard* he said this:

> In the event of a national emergency occurring General Partridge,—

That is the United States commander.

> —after consultation with the Canadian and United States governments, would be able to commit either American or Canadian forces in the defence of this country.

Naturally, after his having said that, we asked him how would consultation take place and he replied the next day "by telephone or other means". The *Globe and Mail* next day characterized that reply as "arrant and dangerous nonsense". The Winnipeg *Tribune* put it in this way, "Slogan should be shoot now, telephone later".

General Partridge himself had said, however, on September 6, that he did not have to obtain first the permission even of the president of the United States or to wire Washington in an emergency. The secretary of state, Mr. Dulles, on November 20—and this is more recent evidence—said this, according to the press report of his statement:

> If an attack were made on NATO forces the decision to shoot would be made by the commander on the spot.

If this command is not a NATO one, nevertheless American and Canadian forces presumably defending our own continent are NATO forces.

Then to come back to the minister's reply in the House of Commons on November 7, it seemed to me that he really had watered

down this command to a purely planning agency, and emphasized quite rightly that the decision to go to war must always rest with the government. No other interpretation would be tolerable. But that does not, of course, answer the question. What about the decision to put planes into action? Does that await a declaration of war? If not, who makes the necessary decision? Also, if this command is merely a planning group, then why all the fuss about it? Why make so much of it? Why make so much of it and why make this announcement about it in July and August under an interim arrangement? Why not wait until parliament met in October when we could have learned all about it?

It seems to me that the crux of the correct Canadian position could be put into a single sentence: If General Partridge and the air defence command of the United States have any authority over Canadian forces they should have it as officers responsible not only to the United States but also to Canada. That is the situation in Paris at the present time and it has worked very well there in the NATO command. If, as may be assumed, General Partridge has to secure the authority of the president before he launches into the air the forces under his command—unless an attack has already begun—and those forces include Canadian forces, then surely he must also have authority from the government of Canada.

If this is to be included in any intergovernmental agreement we would like to know about it. If authorization is to be given in advance to act under certain conditions, which may well be necessary in the circumstances under which we live today, then those conditions must be clearly defined and agreed to by Canada as well as the United States, through its constitutional authorities acting in accordance with constitutional practice. Yet, from the answers we have received, it is very difficult indeed to find out just what is the situation.

Now it is not a question of approving or disapproving the setting up of a continental command; how can we approve or disapprove of such a thing when we really do not yet know anything about it. It is not a question of giving up or hanging on to sovereignty. We have previously acted in ways which involve the abdication, in the interests of our security, of some of our sovereignty. Perhaps rather than using the word abdication I should say we have made our sovereignty work for our security and that is the only way a country can guarantee its security in these times. We have shown this by our participation in the European forces of NATO and I am sure we would be glad to do the same thing in respect of our participation in continental defence if it is found necessary to work in that way after discussion and approval by this house.

Now that I have mentioned NATO, I would like to say something about this organization which, in my opinion, remains indispensable to our policy of collective security. I was very glad to hear what the hon. minister had to say about the approach of the government and himself to NATO. He indicated, and I certainly agree with him, that it is regrettable that in NATO we seem to act only after we have received some shock from those who, in a sense, were responsible for NATO in the first place.

This has been very dramatically demonstrated in our reaction to the launching by the soviet union of the satellites. That indeed was a surprise and a shock, but perhaps it should not have been so much of a surprise to us. If we had been aware of what was going on in the soviet union, it certainly would not have been. However, the reaction which has taken place as a result of this shock, so far as NATO is concerned, has I think been a healthy one. It has underlined the necessity of a stronger and more unified organization; it has I think also emphasized the necessity of a stronger and more imaginative diplomacy. In that regard perhaps we would do well, without minimizing the importance of the United Nations as a great forum for the discussion and hammering out of international problems on a world basis, to pay greater attention to the resources and effectiveness of well-tried and normal channels of diplomacy, as we face these new problems.

I was reading in the New York *Times* just the other day a review of an article by a distinguished American and former ambassador, Mr. John C. Wiley. He said, and this is worthy of attention today:

> Today it is of vital importance to edge, if possible, the grave issues of the moment back into normal diplomatic channels . . . Perhaps only a meeting in the valley, a meeting on the working level, could begin to disentangle the tortured skein . . . a meeting under the tyranny neither of clock nor calendar.

If I emphasize, as I believe my hon. friend emphasized, the necessity of pursuing that kind of diplomacy vigorously and effectively in our desire to try to solve, one by one and step by step, the problems which now divide the world, that does not mean that we need to weaken in any way shape or form either our collective defence or our collective action in NATO. So far as closer co-operation and unity in NATO are concerned, I welcome and I am sure all members of the

official opposition welcome this meeting to take place at the summit in December and I hope that as a result of that meeting some steps will be taken to bring about the closer unity which we, when we were in government along with our friends in NATO, were not able to make effective.

I know how big the problem is; I know how when there is a shock everybody talks about unity and when we recover from the shock we go back to our old ways of doing things individually. Certainly the problem is not a simple one and to solve it we will have to use NATO more as an agent for consultation and co-operation than we have done in the past.

Mr. Spaak, the very energetic and able secretary general of NATO put it this way, and I cannot think of any better text for the next meeting of the NATO council than this speech which he gave in Bruges during September of last year. Said Mr. Spaak:

> It remains to be seen now whether one can start a discussion amongst the members of the Atlantic community, a real preliminary consultation which is really loyal and really complete, that is to say, before the individual governments have come to final decisions. I must tell you frankly that the success of this stage is essential to the survival of the Atlantic alliance and I do think that if we do not succeed in achieving that, and if in its day to day political life the large countries of the alliance did not, with their lesser allies, succeed in finding common ground upon which they could take up unchallenged positions and defend them together, but if on the contrary they continue to make difficulties for one another, I am quite certain that the alliance would crumble, with the consequences that I have indicated.

Now that was the secretary general of NATO speaking, a man who is not given to pessimism. It was only a year ago that a report dealing with this very subject, the strengthening of consultation and co-operation within NATO in the non-military field, was made to the NATO council by a committee of three. In making that report we were not working under the influence of a shock such as we are doing today. A year ago, when that report was discussed, everybody agreed with it and, so far as I know —and I admit perhaps I do not know all about it—the report was then pigeonholed and little or nothing has been done to implement the recommendations.

That report, for instance, recommended among other things an exchange of information on scientific and technical matters. Indeed, it recommended the calling together of a scientific and technical NATO conference. That proposal, when it was made, did not attract very much attention but I am glad to note it is being taken up now by those who are in a position to put it into effect. And when we discussed this question of consultation about a year ago, everybody was in favour of it in principle, but at the same time the more powerful members of NATO soon let it be known, as indeed they are beginning to let it be known now as the day for this summit meeting comes closer, that consultation is a wonderful thing in NATO but that it must not be carried out in such a way as to interfere inappropriately with the prior requirement of consultation within a government, and that it must not be allowed to interfere with the requirement for quick national action. I suggest, Mr. Speaker, that there is far less danger of that happening than there is that these reasons will be used to prevent consultation being carried out in NATO beforehand, not after events had taken place.

We have had a very good example how not to proceed in this regard in the recent case of arms shipments to Tunisia. I know how difficult and complicated this problem can be and I know it impinges on a great many areas of policy, but surely it could have been discussed confidentially beforehand. The NATO council might have had a part to play before the disagreement between the three powers concerned became public. Perhaps if the question had been discussed inside the council this type of public disagreement which has come, to say the least at a very unfortunate time, might have been avoided.

NATO, then, remains the foundation of our policy for collective security. But behind NATO and more important even than NATO is the necessity for the negotiation of problems which divide the two worlds, as and when opportunity affords or may be created for that purpose. Therefore I should like to end on this note: while we must, as the minister said, remain strong in our defence, we must also remain strong and imaginative in our diplomacy, and we must work together, in NATO and elsewhere, not only to be strong but so that we can solve the problems which lie behind the division of the world, whose solution, if one can be found, would perhaps make it unnecessary for us to be so strong in a military sense that we in this country today have to divert about 40 per cent of our revenue to defence.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I wish to join with other hon. members who have spoken in expressing the concern we all feel about the condition of the President of the United States. We know this creates a great problem for the American people because, unlike our own constitution, there is no settled way of dealing with business when the president is incapacitated.

Should a president die, there is, of course, a vice-president to act in his place, but I understand that incapacity is not provided for, and therefore I wish to join with others in expressing our sincere concern about the position of the United States.

I should like also to congratulate the minister on the assumption of his new duties in the government of Canada and in the House of Commons. I was hoping this afternoon that as a new minister in a new government he might have laid before the house a comprehensive statement of the policies of the government with regard to international affairs along more general lines than he did, but we will look forward to his doing this on a future occasion.

I must tell the hon. member for Algoma East (Mr. Pearson) that I did sympathize with him when he was "needling" the government a bit about its attitude a year ago at the time of the Suez crisis, and citing the minister for external affairs in support of the position taken by many of us in this house at that time. I do not think any of us were asleep when we read about the introduction of the minister when he arrived at Ottawa by air and was asked a question about Suez, to which he was proceeding to reply when the Prime Minister (Mr. Diefenbaker) intervened rather hurriedly to say that of course the minister's policy is consonant with that of the government of the day. Hon. members who had taken a different view from those who are now members of the government with regard to the Suez crisis were not slow to notice this incident.

I was glad to hear the minister say that Canada would continue to press for measures of disarmament and methods of reaching agreement in that field. The minister said that he and his colleagues would continue to press for disarmament, and I think it is right Canada should do so because it is obvious that the time has come when national armaments can no longer guarantee the safety and security of any country.

At this time we are witnessing a desperate and dangerous arms race between two of the great powers. I say only two great powers because there are only two great powers, Russia and the United States. They alone remain great in terms of power. These two nations, and the other nations which by domination or alliance are associated with them, have failed to reach any agreement on how we might eliminate the threat of war. All nations engaged in this arms race must eventually face drastic reductions in their standard of living and social services. The President of the United States has warned his people to this effect while demanding still greater appropriations for scientific development of new and terrible weapons of war.

Canadians who were hopeful of reductions in defence expenditures are being warned that instead of money being diverted from defence we may find we may have to expend more in producing scientific instruments of war. That, of course, would prevent the diversion we should like to see, namely aid to underprivileged nations which I think is essential for the welfare and peace of the world.

I said that discussions among the great powers had failed to reach agreements. Their discussions have filled mankind with anxiety because since the war their diplomacy has degenerated into insults and threats. As the days pass their insults become more direct and their threats more violent. As their weapons become more terrible, mutual fear of ultimate destruction overshadows ordinary people everywhere.

The time has come when this parliament of Canada should take a new look at both our foreign policy and our defence commitments. Recent developments in international affairs have filled thoughtful Canadians not only with anxiety but with understandable apprehension; apprehension not so much of threats of war from any potential enemy, but indeed fear that the policies we, with others, have followed in recent years are fraught with danger to our own country and to the peace of the world.

The nations assembled at the San Francisco conference in 1945 and the delegates who comprised the delegations there together with the populations behind them believed that the charter of the United Nations provided an effective means of preventing another world war. Of course, it should be said that in spite of recurrent threats of war the United Nations has provided a forum where disputes could be aired and where means could be taken to stop minor acts of aggression which might lead to the outbreak of war among the great powers. May I say immediately that this justifies our support of the United Nations and indeed makes it essential that the United Nations shall be the cornerstone of our external policy.

The instrument for the prevention of aggression approved in the charter was never brought into being. The military staffs of the five principal powers have never established the international security or police force that was to function under the direction of the security council of the United Nations. Because of this, last year largely because of the proposals made by Canada, the United Nations

assembly created an emergency force to prevent the continuance of war in the Middle East and ordered the withdrawal of British, French and Israeli troops from Egypt. I want to say immediately that to their credit the order was obeyed promptly. While no similar action with regard to a force was taken to ensure the ending of the Russian aggression and the withdrawal of soviet troops from Hungary a similar order was ignored by the soviets. The action taken in the Middle East however showed that some advance had been made in the prevention of war by United Nations action.

We believe that Canada should give leadership in the cause of world peace and security by urging the United Nations assembly not only to maintain this security force but to urge the establishment of an expanded international police force designed to maintain international law and order. The great powers having failed to fulfil their function the assembly must assume the responsibility of maintaining law and order among the nations and if this requires amendment to the charter of the United Nations we should press for that amendment. Canada is not one of the so-called great powers but from time to time nations with populations many times our own have looked to us as a nation with no ulterior aim, without colonial ambitions and with no desire to dominate anyone else for the leadership which I think at times we have failed to give.

The common people of all nations without exception cry aloud for deliverance from ever pressing fears and for peace in our time and in the years beyond our time. The C.C.F. believes that this parliament at this time should seek a new approach in external affairs to match today's scientific developments to cope with the social and economic problems that confront the world. That is what I meant when I said at the outset that I had hoped with a new government and a new minister we might have had something more specific regarding our international policy than we received this afternoon.

The great powers having failed to find such an approach we believe that the lesser powers, if I may term them as such—the smaller and middle nations—should assume the responsibility of demanding the elimination of the dreadful threat of nuclear war and that we should associate ourselves with and give leadership to the smaller and middle nations in pressing this point home. We believe further that because of the confidence that has been shown in Canada from time to time by many nations this government should take immediate steps to accept leadership and to play a more significant role in mankind's efforts to establish peace on a firm and lasting foundation.

Now, you ask how this can be done. In the first place—and here I agree with the former minister of external affairs—whenever a proposal is made by one or other of the great powers which seems even remotely to offer an opportunity for negotiation Canada should be ready to advise and to press for acceptance, should be prepared to assist in arrangements and, when possible and proper, should be prepared to join with other nations in such negotiations.

Very recently the Russian leader Khrushchev made a public pledge never to start a war. At the same time he proposed a new high level conference with representatives of capitalist states to ban war, to end the armament race, to achieve co-existence and the settlement of ideological differences through peaceful competition for the development of economics, culture and the better satisfaction of man's needs. Now, what was the immediate reaction? The immediate reaction from Washington was that this was another propaganda move and should be ignored. Canada accepted that opinion as did other nations which followed the United States lead. Yet, Mr. Speaker, was it not possible that the Soviet union, having recently demonstrated her strength through remarkable scientific advances, was making a new and this time perhaps a genuine attempt to bring about some easement in the cold war?

We know they have achieved leadership in the production of guided missiles and altogether likely in thermonuclear weapons. They are well aware that their country is surrounded by air bases manned so the newspapers tell us—not only the newspapers but the officials of the United States—with many hundreds of jet bombers equipped and ready with unbelievably destructive warheads. They know that an attack on North America, an attack on any part of Europe or elsewhere would be met by equally devastating attacks immediately on Russian industrial centres and populations.

I ask you if it is not remotely possible, therefore, that a new approach to peaceful negotiations might offer some success? Can we go along with the President of the United States who, in the first series of broadcasts discussing the earth satellite described the Soviet union—I listened to him carefully—not as a rival in the scientific process but rather as "the enemy", as though his nation were at war. It is true that frightening statements have been made from time to time by soviet leaders but certainly frightening

statements have also been made by Mr. John Foster Dulles of the United States as well as by many other leaders in that country.

Where will all this lead us but eventually to war, a war in which there would be no victors, only victims; a war of mutual suicide? We do not believe that Canada should sit idly by and tolerate this drift toward disaster. This parliament and this government should demand that a new look be taken not only at our external policies but those of our Department of National Defence for defence and foreign policy are inextricably mixed up together.

We of the C.C.F. have supported measures that were in the previous stage of international affairs, we believe, designed to protect our people and indeed our friends from unprovoked attack. That seemed reasonable and proper but we know now that neither we in North America nor the people of Russia can find security in early warning radar lines, jet fighters or nuclear warheads on our guns. The only road to peace and security, it appears to us, surely now lies in promoting understanding and by negotiation arriving at mutual agreements to live and let live.

Our government should make it abundantly clear that we will support no policy or diplomacy of threats of studied insults, of abusive language in international affairs which may end in war. This we should make known both to the Soviet union and to the United States. Over the years I have been at the United Nations, I have heard the Soviet leaders indulge in insulting and abusive language. And, if I may mention him again, I think it should be made known particularly to Mr. John Foster Dulles whose meanderings around the world making provocative speeches everywhere fill intelligent people with alarm.

It is time then that Canada followed an external policy consonant with our international interests and our international reputation. We have not always done that, as witness our policy regarding China. Throughout history and indeed under international precedent nations recognize revolutionary governments when they obviously control a nation. Our own history is replete with examples. Nations had to recognize the British revolution of 1689, still celebrated in many parts of Canada on July 12 and the American revolution of 1776 when the forbears of many Canadians suffered grievously because they resisted it.

We remember the terror of the French revolution of 1789 and the bolshevik revolution of 1917; but the world finally recognized the facts of the new revolutionary governments, that they ruled the nations involved. Why then should recognition be withheld from 600 million people in China proper when such a policy has driven them closer to the Soviet union, a nation which the President of the United States characterized earlier this month as the enemy? I believe it is because Washington would frown upon our doing so.

The Chinese, like the Russians, are on the march. Soon we may discover that the stories we have heard of their backwardness, their illiteracy, their ignorance, will be in the same category as stories told until very recently about the Russians. Perhaps, too, many of us were brought up in childhood, as I was brought up, to believe that the Chinese were heathen Chinese, people who were on a lower level than ourselves. We know that that is not true and never has been true.

So long were our people fed propaganda about Russia, to which I have alluded, that when journalists like I. Norman Smith, bankers like James Muir, businessmen like James Duncan, told us of the educational, industrial and scientific progress of Russia, what was said of them? They were characterized as dupes of communist propaganda.

Now, many of us, of course, knew that while there was widespread illiteracy, poverty and disease in China, there were also many thousands of highly cultured Chinese who were heirs of an ancient and historically peaceful culture which even revolution could not destroy.

Mr. Browne (St. John's West): They were not in sympathy with the Chinese government.

Mr. McPhillips: You don't believe in that.

Mr. Coldwell: As a matter of fact, I am stating a historical fact. If the minister understands the history of Asia he will know that the Chinese throughout their history have had leaders who were highly cultured and who were peaceful in their intent.

Mr. Browne (St. John's West): On a point of personal explanation, may I say to the hon. leader of the C.C.F. that I was not questioning the intelligence of a large group of independent people in China but I said they were not in sympathy with the Chinese government.

Mr. Coldwell: How do you know that?

Mr. Browne (St. John's West): Well, I know.

Mr. Coldwell: As a matter of fact, many of us were not ignorant of the fact that the Chinese revolution against a corrupt regime was led in part at least by scholars in their

universities, joined by thousands of university students. In other words, in the leadership, among others, were Chinese intellectuals.

The European situation was commented upon as lately as Sunday by Mr. George F. Kennan, the former United States ambassador to Moscow, who is now lecturing at Oxford University. He was speaking over the British Broadcasting Corporation network. He urged in a radio address from London that the western nations make a re-appraisal of their policies, leading to the possible withdrawal of both eastern and western troops from Germany. I found considerable satisfaction myself in his remarks because, speaking in Montreal on December 14, 1956, I advocated a similar policy and I should like to quote what I had to say on that occasion. I was criticized for it. I said:

> The west should be prepared to make imaginative and far-reaching proposals that will, by diplomatic means, achieve the freedom of the peoples of eastern Europe.

I was talking mainly about the Soviet aggression in Hungary. I said:

> We cannot intervene militarily but we can make a bold attempt by other means to obtain the right of these states to determine their own destiny. Canada should take the lead in urging that the western nations offer to withdraw all foreign troops from Europe in return for the withdrawal of all Russian troops from eastern Europe and for the establishment of a guaranteed neutral zone between the U.S.S.R. and the western European powers. It would be best if the whole operation were conducted and guarantees given under a United Nations auspices. There may very well be some prospects of success in this suggestion if the west has the imagination to make it in a constructive way.

Consequently, I was very interested indeed in reading what the former United States ambassador to Moscow had to say, a man who cannot be charged with friendliness to the communist regime during the time that he occupied that important position in the Soviet union. One appeals to governments to act; but if governments will not act to achieve peace by negotiation and otherwise to remove the threats of war, does any other approach offer any hope for the easing of tensions and the imminent threat of war? I think there are other channels.

The C.C.F. believes at least that there are channels open to us to approach the soviet people. I was happy to view the hockey match last Friday evening between the team from Whitby, representing Canada, and the Russian team. The huge crowd in Maple Leaf Gardens at Toronto were obviously friendly to the visitors. The players showed every sign of good will and sportsmanship in victory and in defeat. Such events here and in Russia can exert an influence for good. I hope there will be more of them. It confirms our opinion that the ordinary people of all countries are just people who want to live in peace with their neighbours.

I think another and much more important channel is the subject of editorial comment in the New York *Herald Tribune* of November 8, and has been, I may add, the subject of editorial comment in some of our own Canadian papers in more recent days.

The *Herald Tribune,* republican in sympathy, conservative in outlook, cannot be accused of communistic sympathies. The editors drew attention to a special bulletin sent out by the editor of the Bulletin of Atomic Scientists of the United States, a most important and interesting periodical. Ever since it was first published I have subscribed to it.

This special bulletin contained a communication from 155 leading Soviet scientists, together with a formal resolution by the presidium of the academy of sciences of the U.S.S.R. The communication itself was signed by six of the soviet's outstanding scientists, including the world famous physicist, Peter Kapitsa, a graduate of Cambridge University whose laboratory was moved to Russia and established there with the assistance and cooperation of the English university's most eminent nuclear scientists some 25 years ago. Kapitsa is said to be the scientist responsible for the satellite. The resolution proposed a broad international conference of scientists to discuss the dangers to mankind of a thermonuclear war. I am going to read the letter, It is in these words:

> Let not only atomic scientists of all countries but also representatives of other disciplines, biologists, medical scientists, philosophers of all schools, economists, historians, sociologists, educators, etc., express their weighty opinions in a broad international meeting of the most important representatives of science. In such a tense time, full of danger of a general destructive war, scientists cannot remain aside. Their duty is to add their voice to the requests for the cessation of atomic tests. 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.
>
> We the soviet scientists express our full readiness for common effort with scientists of any other country, to discuss any proposals directed towards the prevention of atomic war, the creation of secure peace, and tranquility for all mankind.

The editor of the Bulletin of Atomic Scientists comments that while the letter repeats some communist propaganda demands, the writers recognize the necessity of avoiding atomic wars rather than merely that of abolishing atomic weapons, a very significant difference in approach. The editor urged scientists of the west to take up this offer.

The *Herald Tribune* then pointed out that this soviet offer grew from a conference on a

smaller scale held in Canada last summer at the summer home of Mr. Cyrus Eaton at Pugwash, Nova Scotia. On the same page of the newspaper Mr. Cyrus Eaton had an article warmly approving of the suggestion and naming Canada as one suitable location for the conference.

Of course I realize that this appeal, as the Prime Minister said when I drew it to his attention, was not on a governmental level, but I see no reason why our government should not encourage our scientists to invite such a conference to Canada and assist them in every way to make it a success. On the contrary, I see every reason why our government should do so.

Here surely is a new channel of approach by men and women whose activities are based on scientific knowledge which is international. A few years ago some people were prone to refer to scientists and philosophers as "egg-heads". Today who will deny that the future of the world rests with such people rather than some irresponsible politicians—

An hon. Member: You are one of them.

Mr. Coldwell: —some rather open-mouthed generals and admirals and some back-benchers who have made and are making a sorry mess of their opportunities and their responsibilities.

In 1945 some politicians in the United States made the mistake of believing that the mathematics at the root of scientific advances could be the secret of their country. Future historians may regard this erroneous opinion as one of the important roots of the distrust and misunderstandings that have plagued the world in the past decade. They refused to allow their knowledge to be shared with their allies, even some who had provided them with the very basis of the atomic discovery they determined to keep to themselves, and principally among these, of course, were their British and Canadian allies.

I might add that Mr. Eaton pointed out in the article to which I have referred that the men who produced the first atomic bomb were not all Americans. They were Italians, Danes, Poles and Germans as well, I may add, as British, French, Canadians and others. Of the proposed scientific conference suggested in the *Herald Tribune* Mr. Eaton had this to say:

> It is certainly something that colleges and universities can back. Certainly anyone who is a capitalist ought to go for it because in a war all the material accumulations of the past would go. One hydrogen bomb would lay this great city (New York) in rubble.

Surely capitalists, socialists and, yes, communists, share this common dread and should seek a common way out of the danger that overhangs the world.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Coldwell: Mr. Speaker, there is another aspect of this problem which deserves more consideration by this house than it has received in the past. In the end, war or no war, annihilation or not for many millions, the most potent urge among mankind will remain "hunger" and hunger today is widespread across the world.

As a vital part of our external policy, the government should be supporting more completely and more generously every intelligent proposal for economic and technical aid. We should not gear our support to that of any nation, as we have been doing. Canada has said that because certain nations pay certain fractions of funds for technical aid, we are prepared to contribute only what we consider to be the proportionate fraction too. The United Nations assembly is again debating the special United Nations fund for economic development which has been before the assembly for several years and which is designed to provide capital grants and loans to the underdeveloped countries of Asia and Africa, under the auspices of the United Nations. Canada has joined the United States and the United Kingdom in opposing this project both before the economic and social council and the appropriate committee of the United Nations. This fund is designed to plan capital assistance with political and profit considerations giving way to human need.

May I say that this afternoon I was disappointed that the minister did not accept the suggestion made by my friend the hon. member for Vancouver-Kingsway (Mr. Macdonald) and give a more hopeful answer to his question.

In the vote about to be taken at the assembly Canada should assert its moral leadership among the nations that want to support this fund in spite of the opposition of the United States delegation. Apart from this, we should be prepared to make further and large appropriations for the Colombo plan. The increase in the Colombo plan proposed by the government at this session is paltry in comparison with the needs of southeast Asia, in particular India, and our

own gross national production, as are the other contributions mentioned this afternoon by the minister in his address to the house. We should divert at least one-quarter of the amount this parliament is providing in our defence appropriations to SUNFED, technical aid, the Colombo plan and other international humanitarian efforts. Other nations should do the same so that disease and hunger could be banished from the world in a relatively short time. That would do more to remove the threats of world-wide dictatorships of the communist or fascist varieties than all the stockpiles of atomic warheads and guided missiles the western nations could conceivably acquire.

When we come to a discussion of the government's defence proposals we shall have more to say about this aspect of our defence expenditures. Suffice it now to say that we look forward to and must work for the day when Canada can abandon armaments entirely for offence as well as defence all across the world.

To sum up, then, we state categorically that we are not satisfied with our external affairs policies. They do not meet the needs of the country in this period of danger from new and terrible weapons that modern war would loose upon mankind. We therefore take this opportunity of urging this house and this government to adopt a new approach to the problem that besets us. There must be an end to a diplomacy based on threats and insults. Canada, which has been comparatively free from this type of diplomacy, should denounce it whenever it is indulged in and whoever indulges in it.

Our approach to international problems must be devised to meet today's scientific developments and to cope with the social and economic problems of the nations and the peoples of the world, regardless of race, creed, colour or ideology. We should thus give every encouragement and support to plans and financial contributions for the relief of hunger and disease among the less privileged peoples of the world as well as, indeed, within our own borders. Hence, because the United Nations does offer and afford opportunities to exercise such leadership, we must continue to support and to enhance the prestige of the United Nations.

We believe that Russia and the United States both must know that either they will meet to achieve a settlement of political differences between them or, sooner or later, mutual suicide will result. Canada's role now should be to give a definite and imaginative lead, to the middle and smaller nations at least, to demand that negotiations between the two great powers and their allies should be undertaken on every possible occasion. Today, because of the anxieties we all feel, there is at least a possibility that such leadership offered by Canada might meet with a large measure of success since the peoples of all nations share our fear that a continuance of the present nuclear arms race can have no other end than universal destruction for us all. We want the world to heed the message which in less than a month will ring out once more across the world as it has for centuries in the past among the Christian nations of the world: "Peace on earth, good will to men".

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, in rising to participate in this debate I should first of all like to associate the members of this group with the expressions of regret and sympathy we all felt when we heard that the President of the United States had been stricken. It is our sincere hope and prayer that he may speedily be restored to his usual health.

I should also like to extend congratulations to the Secretary of State for External Affairs (Mr. Smith) as he takes over the portfolio of this extremely important department. We welcome the opportunity that is presented at this time to discuss the world picture in general and Canada's position within that picture in particular. I regret very much, Mr. Speaker, that the time for this debate is so limited. I should like to remind the house that more time was spent yesterday in debating the advisability of setting up a committee to consider the installation of a translation system than has been allowed today for the debating of our position in international affairs. I am not in any way minimizing the importance of the debate of yesterday. However, in view of the tremendous factors involved in the debate today, I feel that much longer than one day should have been set aside for this important discussion.

I should like to thank the secretary of state for his report this afternoon, for it was a report dealing with the activities of the Canadian delegation at the United Nations and also the contribution Canada is making in respect of a number of other phases of our international policy and program.

I should like also to say that we would have welcomed a direct statement of policy on the part of the minister and the government at this time in order to help us get a grasp and an understanding of the direction in which this government proposes to lead Canada in relation to our external affairs. Of course, I think it has been fairly definitely stated that there would be no fundamental change in policy. We therefore can only assume that the direction that was followed

by the previous government will to a large extent be followed by the present government.

Reference was made today to the NATO organization. Right at the outset—and I do not propose to spend very much time tonight on these individual organizations—I should like to say that we are in complete agreement with the objective of the NATO organization. In view of the inability of the United Nations to cope with the problem and in order to place us in a position where we can defend ourselves and maintain our own security, we feel it was necessary to set up a separate organization such as the North Atlantic Treaty Organization; and today, as never before, we are impressed with the necessity of maintaining this organization and perhaps strengthening it but certainly in no wise minimizing its importance.

When I state our support of this organization I should like to say as well that we believe that a clear statement should be made, and reiterated time and time again, that NATO is a defensive organization, and a defensive organization only, with no plans for aggression, with no designs upon other nations, and that it is there solely as an instrument to effect and maintain our security.

Reference has been made to the Colombo plan and of course we in this group have always given our wholehearted support to the principle underlying the Colombo plan and the expanding program for technical assistance of the United Nations. We have always felt, as we still feel, that the contributions made by Canada to these organizations are an investment; they are not a handout or just a contribution given to ease our conscience in view of world need, but an investment whereby we contribute to the betterment of the world, enabling the underprivileged to assist themselves, to raise their standards of living and to place themselves on a much higher plane than that on which they are existing at the present time from economic and social points of view.

Now since we last discussed foreign affairs events have moved with incredible speed and we now find ourselves being directed away from our role as earthbound peoples into the realm of space and inter-planetary travel, with all the exhilarating or catastrophic possibilities which these ventures may produce. At least to the ordinary citizen of Canada, the achievement of soviet scientific knowledge and skill has caused an impact that will not soon be forgotten. We had imagined that the United States and Britain were so far advanced in these scientific and engineering fields that no other nation could possibly eclipse them, but what we have heard and read during these past few weeks has disillusioned us and we are asking "Now what?"

I am sure we all remember the forebodings and the fears consequent upon the dropping of the A-bombs on Hiroshima and Nagasaki. We were on that occasion ushered very unceremoniously into a new age but it was an age of fear besides being an age of wonder. Following that circumstance we heard the dire predictions that the end of the world was really in view and may I remind hon. members that these predictions were not made by some so-called wild-eyed preachers of doom but by scientists, legislators and statesmen the free world over. Perhaps it could be that we were at that time arriving at the point referred to in the scriptures when men's hearts were failing for fear of those things which were coming to pass upon the earth. Now, upon the minds of men, already taut with the remembrance of those things to which I have referred, there comes the terrific impact and realization of new and even greater inventions, the fearsome or the beneficial results of which are still clouded in the mists of uncertainty.

Now what is the significance of this great new advance in modern science? What does it mean to us that this invention is first of all in the hands of a power constituting possibly the greatest and only threat to our free way of life? These are important questions. However, we find that fear in many instances in the past has provided an incentive for action in other fields of endeavour and so the fear of this new advance in science by the soviet union has had the effect of shaking those in the western world out of their complacency.

I ask this question: Why did this thing come as such a surprise to us? How was it possible that these achievements could be reached without any intimation being gained or received by the western world that such things were in the offing? Was it because we had been lulled into a false sense of security; was it because we had somehow settled back and under perhaps the relaxation of certain tensions had forgotten the tremendous possibilities that existed in other parts of the world? Why was it that this thing had to come with such an element of surprise?

Perhaps the former government could give some answer to that question, but granted that this thing which has been invented could be of inestimable value from a purely scientific point of view—and we are reminded that the soviet union has promised to share the data and information obtained with the rest of the world—I do not think we can get away from the conviction that its value

from the military standpoint is far beyond the present conception of most individuals and, in the hands of a great and unfriendly power, could have disastrous consequences for the free world.

Without question it was the realization of this fact that threw American military and scientific brains into an all-out effort, not only to close the gap, but to again take the lead in this all-important field. President Eisenhower ordered full speed ahead, and then, in consultation with the leaders of our other friendly powers has urged the consolidation of the free nations of the world into a unified force to defeat the worldwide designs of the communist leaders.

Now it is against this backdrop that we pause to take our bearings today and to discover, if we can, just where we as a nation fit into the international picture; to try and discover, if we can, whether or not our foreign policy is designed to accomplish the greatest good for ourselves and for other parts of the world. That is why we would have welcomed today a more direct statement of policy on the part of the Secretary of State for External Affairs. We ask the question: What is involved in the marshalling of the united forces of the free world into a unit or instrument capable of defeating the aggressive designs of the soviet? First of all I suppose it comes to our minds that this involves the pooling of our military power and potential.

For some years now we have been engaged in a feverish race for military superiority. Canada's contribution to this end has cost us in the neighbourhood of $2 billion per year and although I am sure Canadians right across the country are prepared to make every sacrifice necessary to preserve our way of life and freedom, yet the question is becoming increasingly persistent: Just where are we going? What is to be the final outcome of all our feverish activities? I do not have to take the time tonight to refer to the tremendous military build-up of the past few years the arms race where each nation was trying to outdo the other, not only in manpower but in fighting power in armaments of all descriptions. Think of the cost to the nations. We see that with all our expenditure and with all our efforts and all the application of our skills and powers, when we reach a certain plateau we still have further expenditures before us and greater sacrifices than ever before. So the question is: where does it end?

They tell us that before one aircraft is in production it is obsolescent and they are already working on something new. There was a tremendous expenditure for something, but we did not know whether or not it was going to be brought into use. And yet because we could not wait for the ultimate in weapons I suppose we had to fill in the gap with these other things. The struggle, it seems to me, still goes on.

I remember well back in 1954 when it was my privilege to attend the United Nations session as an observer, debates were then going on relative to disarmament, and it seems to me I spent most of my time sitting in that committee listening to speech after speech, debate after debate, trying to find some common ground, some common meeting place of opinion. But it seemed to end in frustration. And so, year after year, it goes on, and it does not seem that we are getting any closer to the answer to the problem; it does not seem as if we are reaching a solution.

And now, as outlined today by the Secretary of State for External Affairs, we find that seemingly the matter has reached a stalemate, that the Soviet union refuses to participate any further in the deliberations on disarmament. However, we must continue to press on; we must continue to seek a solution; we must endeavour to find an answer to the riddle which has proved so perplexing down through the years.

But, Mr. Speaker, I should like to refer to the futility of armaments as an effective system for the building of the kind of world we envisage for ourselves and for succeeding generations. What kind of world do we want? If we want a world where men can live without fear, if we want a world free from want, if we want a world where an opportunity is given for the full development of human prosperity, then all our military endeavours, necessary though they may be now, will not, I suggest, hasten the coming of the kind of world that we envisaged. There must, surely, be a stopping place somewhere in the arms race and military build up, a point where the futility of this mad struggle will dawn upon us and when, like the prodigal son, we will return to sanity.

Adequate defence is wise, but a constant struggle for greater and more potent weapons of destruction is nothing short of imbecility. I think the suggestion of pooling our resources would involve the pooling of our scientific knowledge and skills. I think significant progress has been made in those things which contribute to human happiness, but it is a sad commentary on human intelligence that the greatest progress which has been made has been in the field of destructive capabilities. Who can estimate

the sum total of good which could accrue to the human race were all the skills and knowledge of men brought to bear upon constructive living, and if the results of scientific progress were made available to all people? Today, however, it appears that the great goal is to eclipse others in the technical field so that through these means our military capability will be increased. We now have the power to blast the nations into oblivion. I ask the question: what more are we striving for? What is the object of scientific research and technological development? Is it to open the way for mankind into a fuller and more creatively worth-while life? If so, that is well and good. Is it to develop our capacity to destroy civilization with one bomb instead of two? If that is the case, it is devilish.

No doubt, this suggestion involves, also, to a certain degree at least, the pooling of economic resources. We have already referred to the Colombo plan and to the United Nations program for technical assistance, and I believe that it is the purpose of the nations which are gathered together in peaceful alliances not only to maintain themselves but to extend a helping hand to those who are in a less fortunate position than themselves. As I stated at the beginning of my remarks, we in this group have given full support to these programs and have urged that our contributions in this field should be extended. We still say that.

But let us ask a question here, as well. What is the motive behind the contributions which are being made to the under-developed countries? Is it to try and place them in a position of indebtedness to us, so that we, in turn, may expect their support in further programs that we may have? If our motives are unworthy they will soon become very obvious, and instead of buying support and buying friendliness they will bring instead antagonism and bitterness. If it is to feed the hungry, if it is to discharge our responsibility to those who are less fortunate than ourselves, and if we give gladly and willingly, without any hope or expectation—

An hon. Member: How much did you give?

Mr. Patterson: What was that asinine remark down there? Now, that is something. That is really something profound. We are dealing here with one of the greatest programs that we have for the betterment of mankind and then someone down in that end of the house raises that foolish question. Perhaps I should ask him what he gave.

Mr. Speaker, if it is to assist those who are in need, then I say: let us do our utmost, increase our contributions and do everything we can to discharge our responsibility in this particular field.

I believe also that this co-operation and this pooling of our resources must include the pooling of our moral and spiritual resources also. There are certain features in soviet policy which we deeply deplore and one of them is the disparity between their preaching and their practice. But let us not imagine that they alone are guilty of this.

Down through the past we have been subjected to a tremendous peace offensive. In the past, as I have stated, we have been engaging in disarmament conferences and discussions. There has been the proclamation of the great principle of freedom for all men and the right of self-determination and sovereignty for all nations. Let us just think of this for a moment. I say we have been subjected to a great peace barrage and I suppose our views differ as to the sincerity of that peace offensive and what the purpose behind it all was. I believe it goes without saying that we are all in favour of peace but the only trouble is to find some way of making that dream a reality. That is the difficulty.

Much has been said and written about the self-determination of peoples and may I say that some of those who have been the loudest in proclaiming this doctrine have been the leaders of the Soviet union. However, while the so-called colonial powers of the west have been leading colonial peoples on toward the goal of nationhood and then standing by with moral and other support as those nations gained strength and confidence, the Soviet union stands out not only as the greatest colonial power but as the most ruthless of any who have ever held control over the minds and bodies of men, those peoples whom they profess to protect. As a matter of fact, some of the nations granted sovereignty by so-called western colonial powers are now struggling for their very existence against attempted communist domination.

Communism promises an era of peace and progress based upon the right of self-determination and mutual respect but institutes rather an iron rule that, while proclaiming the gospel of sovereignty and self-determination, proceeds to stifle the deepest aspirations of peoples and nations to live in freedom and dignity. Communism promises freedom from exploitation and a guarantee of civil rights but imposes a system which denies man the very freedoms which it professes to guarantee. We have many illustrations of this: the Ukraine, the Baltic states and the other satellite countries.

When men and nations reached the point of desperation and rose up ready and willing to sacrifice life and everything to try and regain their freedoms we had the illustration of the brutal suppression of the Hungarian people in their struggle for freedom and liberty.

Following the great conference of the communist nations we had the issue of this broad declaration: We are extending our hands to all people of good will. Jointly we will throw off the burden of armament which suppresses the people. We will free the world from the danger of war, death and destruction. Before us is a bright and happy future for mankind which is advancing toward progress. Hon. members will perhaps recognize these as the words of Mr. Khrushchev.

I would suggest, Mr. Speaker, that in order to demonstrate their sincerity there are two things which the Soviet union should do. The first is to settle down to a determined effort within the framework of the disarmament commission to work out a plan and program that would accomplish the very things they have been speaking about. I would also say that in order to prove their sincerity they should grant an opportunity to the nations under their control for a full and free expression of their wishes and desires relative to the system of government under which they choose to live. However, the leaders of the Soviet union are not the only ones who are guilty of hypocrisy for I believe that in assessing the world situation and striving for a solution we have to a large degree forgotten the application of the moral concept to our own activities.

There are two opposing forces in the world. On one hand we have a system of tyranny and oppression diametrically opposed to the way of life to which we pay lip service but unfortunately so often fail to practise, a totalitarian system in which the state is god and individuals are but pawns, a system characterized by suppression, fear and liquidation. On the other hand we have a system which extolls the glories of private enterprise and which recognizes the dignity of man and the right to life, liberty and the pursuit of happiness.

In the past our whole attention has been devoted to an attempt to counter some move already made by communism in its bid for power and expansion, and in practically every case we have failed. What has happened is that in our hatred of communism we have begun to hate the communists. In our endeavour to contain communism we have become tragically negative in our approach to world problems. In our defence of the free way of life we have been almost ready to sacrifice our freedoms. If we in our defence of freedom yield to a dictatorial regime nationally or internationally we shall become the victims of the very processes that we despise. We must not only require others to recognize and live according to the high principles of justice, honesty and humanity but we must scrupulously observe them ourselves, being sincere, fair and aboveboard in all our dealings with other nations. We must, I suggest, cleanse ourselves from uncharitable attitudes and ulterior motives and dedicate ourselves to the pursuit of those high principles in international affairs with courage, faith and determination. We must revitalize our democracy so that by a positive demonstration of the virtues of our system we will confound those who predict the deterioration and eventual collapse of the private enterprise economy. This will do much to strengthen the morale of our people and convince others how worth while is the democratic way of life.

I would now like to refer to what I understand has been the policy for many years in this house. Based on the idea that even though the full and free expression of party views could contribute greatly to the efficiency of internal parliamentary democracy, it was considered most desirable in so far as it was possible that our foreign policy should represent the united thought and attitude of parliament as a whole. Therefore, as nearly as possible, Canada followed a non-partisan policy in the field of foreign affairs.

I believe this desirable end may be secured or effected in different ways. Government could abdicate its responsibility and leave the formulation of policy to the non-partisan civil servants and career diplomats and both government and opposition view this as a good way out. That, of course, would be unthinkable. On the other hand, the opposition could abdicate its responsibility and for the sake of unanimity become "yes" men to government-sponsored policy. In closing my remarks I would like to propose another approach to this important question, namely the setting up of an all-party consultative committee with which the Secretary of State for External Affairs could confer with a view to acquainting himself with the views and proposals of the people's representatives.

In this way the elected representatives of the people could be kept informed of conditions and could have a part in recommending policy. We recognize, of course, that the minister and the government would of necessity have the final responsibility but, on the other hand, the opposition would retain their

right of criticism. Parliament also would exercise final control and the supremacy of parliament would be maintained in foreign affairs.

I suggest, Mr. Speaker, that such a committee should be composed of the leaders of the respective parties, with possibly the addition of one or more members from each of the groups. In this way I believe it would be possible for the setting forth of a truly Canadian policy with respect to foreign affairs.

Mr. W. B. Nesbitt (Parliamentary Assistant to the Prime Minister): Mr. Speaker, I should like to take this opportunity to extend to you my most sincere congratulations on your election to your very high office. It may come a little late but I have not had the opportunity of doing so before during this session.

It may appear, Mr. Speaker, from the latest dispatches, that the condition of President Eisenhower is perhaps not as grave as the information we received this afternoon led us to believe, and I would like to say on behalf of the Secretary of State for External Affairs (Mr. Smith) and not only members on this side of the house but I am sure all members that we pray this is the case, that his condition is not so grave, and that this great leader of the free world will be restored to his accustomed vigour.

This evening, Mr. Speaker, in entering this debate on the subject of external affairs I propose to deal exclusively with the subject of disarmament which is a matter of the greatest interest and importance not only to the people of Canada but to people all over the world. I would like to take this opportunity of dealing with this subject because I have, in the last eight weeks, had the honour and the opportunity of serving as vice-chairman of our delegation to the United Nations and of following the whole subject at first hand.

The disarmament negotiations of the subcommittee, which was held last summer in London, came to an abrupt end at the beginning of September after the soviet representative, Mr. Zorin, had rejected the proposals for partial measures of disarmament submitted by the four western powers in a working paper on August 29. This abrupt termination of the subcommittee's work was clearly a matter of great concern to many countries when the general assembly of the United Nations opened last September 17. The opening statements of all the great powers in the assembly reflected this concern. Speaking for Canada on September 23, the right hon. Prime Minister (Mr. Diefenbaker) expressed the hope that the current session of the United Nations assembly might be known in future years as a disarmament assembly.

[Mr. Patterson.]

These words were quoted with warmth by a number of successive speakers and I think the general tenor of the debate opened with fairly high hopes.

In general the debate concentrated upon the resolution of October 11, introduced by 24 of the major powers. Much of this resolution was based on the western proposals in the subcommittee on August 29. The subcommittee, of course, was held in London.

This afternoon the hon. member for Fort William (Mr. McIvor) made a request of the Secretary of State for External Affairs asking that he deal with those proposals in detail and this evening I think I might outline the proposals of the 24-power resolution. They are condensed, of course, Mr. Speaker, but I think they reach the heart of the matter. This resolution was based upon six points which are as follows:

One. The immediate suspension of nuclear testing in conjunction with an adequate control system to ensure that this was carried out.

Two. The so-called "cut-off" or the cessation of the production of fissionable materials for weapons purposes.

Three. The reduction of stocks of nuclear weapons.

Four. The controlled and graduated reduction of armed forces and armaments; that is, conventional armaments, a field in which agreement had almost been reached.

Five. The progressive establishment of a ground and aerial system to guard against surprise attack.

Six. The study of an inspection system to ensure that objects would be sent into outer space only for peaceful and scientific purposes.

These six points presented a more complex resolution than any of those put forward by the U.S.S.R.; for they represented a series of concrete proposals on which the western powers and their allies in NATO had negotiated for months to ensure agreement. As a member of the subcommittee, Canada participated in the drafting of this resolution and co-sponsored it.

In contrast, the soviet resolutions were simple, propagandistic in their appeal and in their essence completely uncontrollable. Briefly, the Soviet union presented two proposals. The first was for a five-year ban on the use of nuclear weapons. This clearly meant nothing more than an uncontrollable promise which would be valid until the day it was broken. This resolution, I might say, received only 11 votes in favour.

The second soviet proposal called for the immediate cessation of testing, without regard

to any other measures on disarmament. It became quite evident that many nations were attracted by a proposal of this kind. India had submitted a very similar resolution and Japan presented a compromise resolution which linked the objective of a temporary suspension of nuclear testing to negotiations for an adequate supervision and inspection system to verify this. The Indian proposal received a vote of 22 for, 38 against and 20 abstentions. The Japanese proposal was opposed by the soviet bloc as well as by the west and was defeated by a vote of 18 for, 32 against and 31 abstentions. Canada voted against all these proposals because it felt, as did many other countries, that the question of nuclear test suspension can only be settled as a part of a more comprehensive disarmament agreement which also does something to solve the more fundamental matter of the arms race in nuclear weapons.

Perhaps because of the reservations which many countries had on matters such as nuclear test suspension, the disarmament debate showed little enthusiasm at the beginning. For some time there was a shortage of countries willing to speak; and while it was apparent that the 24-power resolution would receive an adequate majority many of the uncommitted nations questioned the value of requesting support by the assembly for what was essentially the position of one side to the cold war alone.

Many of our allies were slow to make public their support, as if they were waiting for some further clarification of the western position. For these reasons the Secretary of State for External Affairs, when he delivered the Canadian statement in the committee on October 23 last, emphasized repeatedly that Canada, while it had sponsored the 24-power draft resolution and urged its adoption, remained open-minded. I should like to make a brief quotation from the remarks of the Secretary of State for External Affairs in the political committee of the United Nations which was at that time discussing disarmament:

> Canada is sensitive to every possibility of improving it. Let us not be inflexible in this regard. We of Canada certainly do not say that the particular proposals with which we are now associated are the only means by which at least some progress can be made toward disarmament. Canada has co-sponsored plans for partial disarmament, but I repeat that we do not necessarily regard them as the last word.

Canada's position of flexibility was enthusiastically welcomed by the representatives of many countries, including Norway, Mexico, Pakistan, Israel and Nepal. It was particularly noteworthy that in the closing remarks of the representative of the United States, Mr. Henry Cabot Lodge, he said that the United States associated itself at some length with the remarks made by the Secretary of State for External Affairs.

Ambassador Lodge added that the United States also desired openmindedness and flexibility and they too were not suggesting that our proposals, the 24-power resolution, were the last word. It is perhaps not too much to say that this position of flexibility contributed to the large vote by which the 24-power resolution was passed. The resolution, incidentally, received 57 votes in favour, 9 votes against, being merely the soviet bloc, and 15 abstentions. This vote was later sustained when the resolution came from the political committee to the general assembly.

It would have been a very satisfactory result for the west and for Canada except for the dramatic soviet announcement just before the vote was taken that they would not return to participate in the work of either the disarmament commission or its subcommittee. Shortly before Russia had introduced a resolution calling for the establishment of a permanent disarmament commission consisting of all 82 members of the United Nations which would discuss disarmament continuously and without any secrecy whatsoever. It is hard to believe that the U.S.S.R. really wants such a commission or that this move was anything but a propaganda move. Only a few days earlier the soviets had argued that it would be wrong for the committee to vote for a disarmament agreement which should properly be the result of unanimous agreement among merely the great powers. Now the soviets appeared to be calling for a commission where just such votes would be taken all the time. One can only conclude that the soviets were resorting to their normal tactics of bargaining at an oriental bazaar; by demanding the impossible they were hoping to obtain a little more than they otherwise would.

The first reaction of Canada's allies was to discount the soviet intention to boycott the commission as an idle threat of no importance. This was not the Canadian reaction for we had always considered the composition of the disarmament commission and its subcommittee to be in question. One month earlier our Prime Minister, speaking of the disarmament subcommittee, had said in the assembly:

> We consider that a salutary effect might be achieved by securing the participation of other powers; they may be capable of rendering assistance in the processes of seeking an agreement that we have not been able to achieve. But let me say this: Geography alone should not be the basis for choosing additional members, for all members are not equally equipped to contribute towards the agreement for which we all devotedly hope.

Some of our allies had said in the course of the debate that there should be no expansion either of the commission or its subcommittee, but we had been careful in our concluding remarks on November 4 last to keep our position open on this matter. Thus when the soviet made it clear that they would boycott the existing commission, we made strong representations to our allies that the question of commission expansion should be reconsidered. It was not—perhaps I should stress this point—a question of caving in to the Russians; it was not a question of doing something merely to bring them back to the disarmament negotiations. On these matters I think nearly everyone would agree that the Soviet union is inscrutable and, as events proved, they are quite capable of appearing to work for a compromise and then demanding something more, something quite unacceptable, when a compromise is offered them.

However, we felt that many countries in the United Nations were deeply concerned about the future of disarmament proceedings and that intransigence over a relatively small matter, the question of commission expansion, would appear in retrospect a foolish intransigence, particularly if it gave the U.S.S.R. a good excuse not to negotiate in the future at all. At this time many of our allies, unlike Canada, were under firm instructions to oppose expansion of the disarmament commission. Therefore, on November 6 we made only a guarded statement in the political committee just before the votes were taken. At that time I made certain remarks and I should like to quote what I said. I do so only because I think the remarks are pertinent to the remarks I am making at the moment. I said:

> We do not believe that the size or composition of the disarmament commission and the subcommittee has been a major obstacle in the way of agreement. But, by the same token, we do not believe that a matter of some alteration in the United Nations disarmament bodies need inevitably be allowed to stand in the way of at least the opportunity for further negotiation. . . . Our fundamental approach to a possible change in disarmament bodies was defined by Prime Minister Diefenbaker in his statement in the general debate on September 23. He made it clear at that time that we were certainly not opposed in principle to associating other countries with these disarmament talks if there was any chance that this would improve the prospects of success. If, however, the very possibility of continuing the negotiations at all is now jeopardized, then the willingness to accept some reasonable adjustment is all the more essential.

As we expected, this statement was warmly welcomed by many countries, including some of our NATO allies. Very shortly thereafter our allies on the subcommittee indicated to us that they would not now be opposed to reasonable expansion of the disarmament commission.

The disarmament commission, I may say, is of course composed of the eleven members of the security council. In addition, Canada has the unique honour of being a permanent member of the commission, as well as of its subcommittee, whether or not she is a member of the security council. The western position in the security council has always been quite secure, as may be illustrated by the fact that nine of the eleven powers composing the newly elected security council voted for the western disarmament resolution at this assembly.

It was therefore agreed that some neutral or uncommitted countries, notably India, and some satellites such as Czechoslovakia, could be seated in the commission without any danger to the west. After this we were in constant consultation with the representatives of our three allies on the subcommittee. Ambassador Lodge for the United States, Commander Noble for the United Kingdom and Mr. Jules Moch for France.

At first it was agreed that an addition of five new members might be reasonable. Then immediately rumours of our negotiations began to spread, as they do down there, and many countries indicated that if there were to be any commission expansion then their own region, or more particularly their own country in some cases, should not be excluded. Thus, our subcommittee allies themselves asked that not five but ten countries should be added. These ten were Argentina, Australia, Belgium, Brazil, Burma, Czechoslovakia, India, Italy, Tunisia and Yugoslavia.

It was agreed that if such a resolution for commission expansion were to be effective it should unite rather than divide the assembly, or at least that part of it outside the soviet bloc. Therefore, along with our allies we had been in constant consultation with India and with other leaders of the uncommitted nations. We had also had some contact, I may add, with the soviet delegation who had made it clear that they would not commit themselves to any resolution in advance. At times we seemed on the point of finding a list of countries which would be acceptable to all the powers concerned. However, after some days of negotiation it became more and more clear to the Canadian delegation that, regardless of our own views, it would be very hard to get prior agreement between all of our subcommittee allies on the one hand and the major uncommitted countries on the other. Therefore, in order to get the ship launched, so to speak, together with Japan we introduced a resolution calling upon the

assembly "to enlarge the disarmament commission by the addition of ten member states which, for the first year, from 1 January, 1958, to 1 January, 1959, shall be"—and then followed the ten countries I have previously mentioned. Our tactic on this occasion was, in the words of an eminent statesman of the past, to wait and see the reaction of the assembly to this resolution.

We were not surprised to learn that there was widespread feeling, even among some of our NATO allies, that while our resolution was a good thing it was perhaps not quite good enough, and that a more equitable and satisfactory list of countries could still be found. In short, Mr. Speaker, we continued to negotiate with the same intensity after our resolution was introduced as we had before. Twice the discussion of our resolution was postponed and once the assembly was adjourned for this purpose.

At length it became clear that India, Sweden and Yugoslavia would be satisfied with an amendment to our resolution which we ourselves had been considering, namely the addition of four more countries, Egypt, Mexico, Norway and Poland. When it was clear that this amendment could be accepted by all of our subcommittee allies we tabled a revised version of our resolution, one which was in our view very much more satisfactory and which would add all of these 14 countries and thus give the disarmament commission a membership of 25 countries. We were particularly pleased to obtain for our resolution the co-sponsorship of all the middle powers most concerned, namely Canada, India, Japan, Sweden and Yugoslavia. Later Paraguay joined the sponsors as a representative of Latin American countries.

At this point there was some reasonable optimism that in view of the wide sponsorship and support for our resolution, the U.S.S.R. would not oppose it and would indicate its return to the commission. As a matter of fact, Mr. Speaker, this was the information that we and most of the other member nations of the assembly had received. However, such was not to be the case. At the last minute the soviet position hardened again and our resolution was honoured with a public rejection by the soviet representative to the United Nations. At the last minute the soviet tabled, in the name of Albania, an amendment calling for the addition of seven more countries. These countries were Austria, Bulgaria, Ceylon, Finland, Indonesia, Romania and Sudan, not one of which could truly be considered pro-western in its disarmament attitudes. The U.S.S.R. supported this resolution in all seriousness as an effective "compromise" to meet the western position "half-way". They made a firm statement that only if this unacceptable amendment were accepted would they return to the disarmament commission, a statement which led most countries to conclude that the U.S.S.R. simply did not wish to turn to the commission at all.

The voting on our resolution and on the soviet proposal showed that the Soviet union had allowed itself to become completely isolated on this matter. Many "neutral" countries were offended by this abrupt soviet rejection of a serious negotiated compromise on which much labour had been expended. Yugoslavia in particular expressed its regret that our resolution had not been generally accepted. Because of this disappointment Yugoslavia declined to vote on the resolution in any way. After the Albanian amendment had been defeated by a vote of 19 for and 38 against, with 19 abstentions, our resolution was then passed by the impressive majority of 60 for to 9 against, with 11 abstentions. Only the hard core of the soviet bloc voted against our resolution. I might say, Mr. Speaker, that our resolution was supported by most of the Asian countries and almost the entire Arab group, including Egypt, Jordan and Syria. The soviet proposal for a permanent 82 member commission received only the 9 votes of its own bloc.

If the U.S.S.R. persists in its refusal to negotiate, one may well ask what Canada's efforts in this matter have achieved. I think that question was probably in the mind of the hon. member for Algoma East (Mr. Pearson) when he made his remarks this afternoon. We have at the very least shown a constructive willingness to make reasonable concessions in order to continue serious talks on this vitally urgent question. No one can say that western stubborness on the mere machinery of United Nations disarmament talks has been an obstacle to progress. For a long time there has been in the assembly a feeling that, due to the composition of the security council on which it is based, the disarmament machinery has been heavily weighted towards the western point of view. This was a genuine issue, one which prompted the remarks of the Prime Minister in the assembly. In the light of the soviet position, many countries felt it imperative to remedy this matter, if only to reassure countries all over the world of the sincerity of the western desire for a negotiated disarmament agreement. That has been done, and many countries are now looking forward to playing a constructive, if small, role in the complex negotiations which must still take place.

It would, of course, serve no constructive end to allow the commission to become a mere sounding board for soviet propaganda. In our negotiations we were constantly mindful of this danger. But since the passage of our resolution all of our subcommittee allies have indicated to us that they have no misgivings at all about the composition of the new commission. On the contrary, they are glad to welcome countries which ought, in their opinion, to be able to learn more of the complex issues involved in this great question of disarmament.

The point has been made by the hon. member for Algoma East that if agreement could not be reached in a committee of five, it cannot be expected in a committee of 25. This compares the old subcommittee of the disarmament commission with the new disarmament commission as a whole. Perhaps I did not understand the hon. member's remarks this afternoon, but that was the interpretation I took from them.

The new larger disarmament commission of 25 members does not rule out further meetings of a smaller subcommittee. If the major powers concerned will agree, there can be further meetings of the old, indeed of a new, subcommittee. There was also in New York a Mexican proposal for a subcommittee to meet under a special chairman such as the president of the general assembly. This too would be by no means unacceptable to us if the major powers would agree to it. However, during the recent weeks of meetings of the general assembly it did not appear that this proposal was acceptable to any of the major powers, nor indeed did it appear to be acceptable to anyone else in the assembly. The problem was to find machinery acceptable to all or, failing that, to offer a reasonable compromise to make our desire for further negotiations on disarmament abundantly clear.

One can still ask whether the Soviet union can afford to boycott a commission where countries like India, Egypt and Yugoslavia have come to hear the U.S.S.R. defend its position on disarmament. Thanks to our resolution, if the U.S.S.R. does boycott the commission it will no longer have any respectable reason for doing so. It will certainly not endear itself to these uncommitted countries; while the west, on the other hand, will be in a position to make its point of view much more clearly understood.

In the voting on our resolution, the U.S.S.R. was already isolated from these uncommitted countries. Many other countries have approached us to express their gratitude and relief that a sound and constructive resolution to expand the commission was introduced and passed. For this means that the assembly has done what it could to further disarmament negotiations; and the onus is now squarely on the Union of Soviet Socialist Republics to justify its position. Even the U.S.S.R. cannot continually fly in the face of world public opinion, and particularly public opinion in those uncommitted parts of the world in Asia and Africa. Since the end of world war II the U.S.S.R. has been attempting to gain the sympathetic public and official support of these new Asian and African countries in order to further her plans for ultimate world control. If the U.S.S.R. continues to act as she did on the disarmament question as well as in the recent Syrian situation referred to this afternoon in the remarks made by the Secretary of State for External Affairs, and in the Hungarian affair of scarcely a year ago, she—that is the Soviet union—will not long continue to enjoy much public or official support in the neutralist countries in Asia or Africa.

By having exposed the true motives and behaviour of the U.S.S.R. to the peoples of the uncommitted countries of Asia and Africa and indeed everywhere, we have done much not only to prevent further Russian advances in the world struggle for men's minds but we have indeed, in my opinion, forced her to give ground.

Hon. Paul Martin (Essex East): Mr. Speaker, I am sure the house listened with interest this afternoon to the first statement on foreign affairs by the Secretary of State for External Affairs (Mr. Smith). While we cannot all share in domestic matters the same political views, he has given us a good example today, as he did on the day when he was sworn in, of the possibility of a maximum measure of unity between all political parties in the important matter of our relations to other nations in the world.

No doubt it was part of this desire to transend political divisions which caused him to remind us again of the signal recognition given to one of our number in this house, the former secretary of state for external affairs who recently was awarded the Nobel peace prize. I would like, as a colleague of the member for Algoma East (Mr. Pearson), to take the opportunity in this particular debate to say that those of us on this side of the house join with the Secretary of State for External Affairs in noting our pride and satisfaction at the recognition of the efforts of his predecessor, over a long period, in the cause of peace.

I think it is appropriate that I should utter these words because, except for the right hon. gentleman who leads the official opposition, possibly I have had a better opportunity than anyone else in this house to know how

deserving has been the hon. member for Algoma East to become the recipient of a Nobel award. I have served with him on many occasions at the United Nations, both when he was president of the assembly and when he was chairman of the political committee of the United Nations, as well as in other fields of endeavour in international affairs, and I can attest in all sincerity to the fact that he, above all others, is deserving of this recognition given to him in succession to such great figures in foreign affairs as Aristide Briand, the former minister of foreign affairs for France; Frank Kellogg, the former secretary of state for foreign affairs in the United States—(co-authors of the Kellogg-Briand pact)—Dr. Albert Schweitzer and of course Dr. Ralph Bunche. I think it is also appropriate that I should say, as one who on behalf of some hon. members recently had conversations with the secretary general of the United Nations with regard to his coming to Canada to join with us in marking this recognition, that the secretary general regrets events of the moment necessitate his departure for Europe. And so he will be unable to share with members of this house the privilege of paying tribute to the honourable member for Algoma East.

The country, and I know the house, welcomes the appointment of the hon. gentleman to a portfolio which, until his appointment, was held by the Prime Minister (Mr. Diefenbaker), a busy Prime Minister whose preoccupations, understandably, in so many fields of action did not in the judgment of many people commend the retention by him of the administration of external affairs. This is particularly so at a time when the international situation is so tenuous, so tense, and so difficult of solution.

We have, I think, because of the complexity of modern day events, realized that the decision of the Right Hon. W. L. Mackenzie King to have a separate minister in charge of external affairs was indeed a wise one. It is not possible under the circumstances obtaining in the world and which now confront us for anyone to hold the portfolio of Secretary of State for External Affairs as a sideline. We all therefore welcomed the decision of the Prime Minister to appoint a fulltime minister of this important department. I am sure the hon. gentleman will bring to his task the qualities of intellect and heart which he possesses, and that he will pursue these matters of vital moment, with skill and tact.

As he narrated this afternoon, one could not help but conclude that basically he is carrying out a policy already laid down by his predecessor. He recognizes, of course, the value of the United Nations but he, too, recognizes that Canadian foreign policy is predicated upon the fact that we are a member of the commonwealth of nations, that we are a neighbour of a great world power, the United States, and that we are an active member of the North Atlantic Treaty Organization. These four affiliations, it seems to me, have characterized the basic foundations of foreign policy in this country. I believe all of us recognize that while there is a difference between our affiliation or our relationship to the commonwealth and the United States of America—important as are both those relationships—we do not in any way deprecate the importance of the United Nations. This principle was set forth—as we were reminded by the member for Algoma East, this afternoon—by the Prime Minister himself in the statement made by him on September 23 of this year. He said that the support of the United Nations is the cornerstone of Canada's foreign policy. The Prime Minister continued:

> We believe that the United Nations will grow stronger because it represents the inevitable struggle of countries to find order in their relationships and the deep longing of mankind to strive for and attain peace and justice.

Those words, somewhat similar to those uttered by the former prime minister, I believe represent the conviction of most members of this house and that of the great majority of the Canadian people, in the present and ultimate purposes of the organization which arise from the charter signed at San Francisco in 1945. The United Nations may not be the perfect instrument to preserve order among the nations, but it does represent in the international sphere the same kind of instrument which in the course of history, the community has developed to preserve order in the domestic realm. It is one to which we must give our continued support along the lines laid down by the Secretary of State for External Affairs. Canada can play, notwithstanding the fact that she is not one of the great powers, an increasingly important role as was demonstrated during the past decade by the former secretary of state for external affairs and the present Leader of the Opposition (Mr. St. Laurent).

My own connection with the United Nations goes back to the first meeting at Church House in 1946 when I went to the United Nations under the leadership of the present Leader of the Opposition, and again with that right hon. gentleman to the second part of the general assembly of the United Nations, also in 1946. As I have paid inadequate but deserving tribute to one of my

colleagues, I think the house would want me to say that we also recognize that the former prime minister and the present Leader of the Opposition, one of those who proposed the concept of the North Atlantic Treaty Organization, will be remembered in this house and in this country, not only for his contribution to the development of Canada, but for his great contribution to the maintenance of peace in the world.

We will take the opportunity now, because of our membership on the security council, to play an increasingly important role, because the political questions which come before that body—a body which has, in this particular, a primacy of interest and authority—will afford to Canada and to its representative an opportunity of conciliation and mediation not open to us, except during the course of the general assembly, since the time we were last a member of the security council, when our representative was General McNaughton.

Hon. members will recall the important contribution which General McNaughton made on a number of matters, not the least being the constructive role he played in carving out national status for Indonesia. Likewise, our representative on the security council will have the opportunity of playing a useful role in matters of consequence, in a sense the kind of role signalized this afternoon by the Secretary of State for External Affairs when he referred to the work of the international commissions in Indo-China, Laos and Vietnam.

The Secretary of State for External Affairs did not mention the situation in Cambodia where an international commission also operates. If I understood the Secretary of State for External Affairs correctly, the work of this international commission has been completed. I do not know whether or not the commission is to be disbanded but, if I may, I would suggest to the hon. minister, based on the experience of my visit to Indo-China last year, that there is a role which the commission can play apart from its precise terms of reference; there are opportunities, possibly, for some form of continued action in the light, particularly, of the kind of situation which prevails in South and North Vietnam.

Mr. Smith (Hastings-Frontenac): I wonder if the hon. member for Essex East would permit me to correct an impression, which, evidently, I made upon him this afternoon? I did not intend to say, and I do not think I said, that the international commission would be abandoned. I did intimate to the house that the task of the commission in Cambodia is about completed. The other international commissions in Laos and Vietnam still have work to do.

Mr. Martin (Essex East): I thank the Secretary of State for External Affairs for that correction. Likely the error was mine, not his. But I had the impression a year ago that the situation in South Vietnam was such that that kind of international body could serve a desired purpose. But my reference to it is largely to point out that a country like Canada can play a useful role, not only at the United Nations but in keeping the peace, as these commissions have obviously done in all three countries of the old Indo-China.

I do not know whether the Secretary of State for External Affairs was too enthusiastic in the conclusions he reached about Laos, but in any event I am sure he is aware of the implications that flow from the integration of the Pathet Lao with the royal government. This is a matter which requires great scrutiny, having in mind the need to preserve the integrity, not only of Laos but of South Vietnam, and of Cambodia and countries like Thailand in the neighbouring area.

We listened a few moments ago, Mr. Speaker, to a detailed and interesting account of recent disarmament discussions in the general assembly given by the hon. member for Oxford (Mr. Nesbitt), parliamentary assistant to the Prime Minister (Mr. Diefenbaker). I think the house would wish me to say to him how grateful we are for this report of his endeavours. The question of disarmament does not necessarily mean that the continuation of heavy armaments is in itself a necessary provocation for conflict. The high level of armaments is rather a reflection of the condition of our world than a cause of those conditions. In any event, as the hon. member for Rosetown-Biggar (Mr. Coldwell) said this afternoon, it must be the aim of governments by all means within their power always observing the requirements of security, to do everything they can to ease the heavy burden placed on their peoples by high defence expenditures.

But I think we must bear in mind that this situation is not one of our making. The kind of world in which we live demands, at this stage, certainly, strength of arms in the face of the might of that group of communist nations which confronts us in almost every sphere of international action. In the face of this situation there can certainly be no unilateral disarmament. That mistake we made once before. But just as we have learned that the North Atlantic Treaty Organization has served as an insurance premium against aggression, I think we must recognize that difficult as it is, we must be practical in our

assessment of the need for armaments and for defence arrangements at this time.

However, I repeat we must seize every opportunity at the United Nations and elsewhere to resolve some of the great political problems which confront us, all of which have their bearing on whether or not it would be possible to bring about any specific measure of disarmament. The present disarmament discussions arose, I suspect, out of the decision of the Soviet union in September, 1954, when that country announced it had abandoned the position which it had taken since the end of the second world war. No longer, Andrei Vishinski said, would the Soviet union insist on an agreement to ban the use and production of atomic weapons as a condition precedent to disarmament in the conventional arms field. And it was that important declaration of the abandonment of a principle, which had stood in the way of any progress whatsoever during the preceding 10 years, which gave some encouragement to the possibility of arriving at some agreement through the subcommittee of five of the disarmament commission in the fall of 1954. That subcommittee is an agent of the disarmament commission itself, which had its genesis in the first meetings of the United Nations. This subcommittee was created—and this should be remembered in the light of what has just been said—primarily to provide a more efficient way of providing a forum for discussion of disarmament objectives. It was said, and argued, that the only way to provide discussion of disarmament was to see that it took place among those nations on whose shoulders rested the primary responsibility, namely the great powers. These meetings were to be held in camera. In this way it was hoped there might ensue a comprehensive agreement on disarmament.

I served on the disarmament committee over a period of two years. I think I can speak with some experience of the nature of those discussions and of the problems involved. I do not propose to go into any detail, but may I say that once it was evident that the Soviet union had abandoned its original position of insisting on the prohibition of the manufacture and use of atomic weapons as a condition precedent to action in the conventional field, an effort was made to try to get some limitation in the number of armed forces which would be available to the five countries represented on the subcommittee, namely, the United States, the United Kingdom, France, the Soviet union and Canada.

It looked at one time as though it was going to be possible to arrive at some limitation of armaments and that we were going to be able to get an agreement; for instance, that the Soviet union would be limited to 2,500,000 men and the United States to a similar limitation, Great Britain and France to 650,000 and countries like Canada to something like 250,000. But one of the essential conditions laid down was that at every step there should be in existence some organ of control that would include inspection, not initially air inspection but certainly ground inspection. In any event the position taken by the western nations was that we must first of all agree on what were the objects of control and then we must decide on the methods by which the control system was to be operated. The concept of control, we thought, need not be complete; it need be no greater than the stage by stage process agreed on. In any event there must be some control body and the methods necessary to make that control effective must be agreed upon in advance. There should be no reliance merely on the good faith of the Soviet union, we argued.

I agree with what the hon. gentleman who has just spoken has said. The reason we have not had any real success in this matter lies largely at the doorstep of the Soviet union which at no time was willing to give any indication of its concept of what the objects of control were or what steps should be taken to make that control effective. That will be found not as a matter of obiter dictum by those of us who participated in these discussions; it is a matter of record that at every turn when these requests for these indications were put the Soviet union was unwilling to give an answer which would give some justification for feeling that at least in one stage or in one step some progress could be made without violating the conditions of national security.

We were confronted not only with the control of conventional arms but the more difficult question of the control of nuclear weapons. The house will recall that in July of 1955 the heads of the governments of the four great powers met in Geneva. Because of the difficulties of control and because it was recognized by the Soviet union and by the United States through Premier Bulganin and President Eisenhower that it was not possible to control nuclear weapons that question had to be shelved. In the meantime it was agreed that some effort should be made at reaching a partial agreement on disarmament. Let me repeat, it was because the complete elimination of nuclear weapons could not at that time be effectively controlled or made part of any program of disarmament capable of implementation in the foreseeable future that President Eisenhower, as a means of

creating a healthier international climate, suggested a method to avoid the dangers of a surprise attack.

The house will recall that that proposal involved the exchange of military blueprints as well as affording to both sides the opportunity of aerial inspection. The proposal was not accepted by the Soviet union although it was accepted at that time in principle by Canada and accepted by the prime minister of this country in greater detail during the course of the last summer.

The history of this matter then is that if we have not succeeded in reducing armaments we must blame the intransigent position taken by the Soviet union. This does not mean that the fault is all on one side nor am I suggesting that. I say now as a private member that I think it is regrettable more consideration was not given two years ago, not only to dealing with the question of armaments in being but with the question of weapons not then in existence. We are now in the age of the intercontinental ballistic missile. Its significance for the world of course needs no comment by me. The position of countries like the United Kingdom only 800 miles away, and countries now within the reach of missiles with a travel power of 5,000 miles speaks eloquently for the potential power of this new instrument of war.

The proposal was then made—and this was along the lines suggested by the hon. member for Rosetown-Biggar—that the scientists of the world dealing with outer space and with future satellites and the like should foregather under international auspices, just as they did in Geneva in 1955 prior to the setting up of the atomic energy agency, to see if they could not pool their knowledge in the hope of avoiding the terrible installations of war that are now apparently a fact. Well, that is all history but it does in part reflect the reluctance and I believe the unwillingness of the Soviet union to recognize that this development, costly and burdensome as it is on the peoples of the world and diverting as it does our resources from more constructive purposes, gave the Soviet union the opportunity of making the contribution which their leaders now say they are prepared to do and which they urge can now be done in new meetings and in new peace pacts. I believe that the world does not want new peace pacts; what it wants is a determination on the part of the Soviet union to live up to the commitments to which she has already obligated herself. That is the way, it seems to me, to begin to deal with the situations that confront us.

The hon. member for Algoma East this afternoon raised another question to which I would like to devote a few moments. He referred to the matter of continental air defence known as NORAD, the defence of the North American continent, now under the command of General Partridge of the United States air force. No one will quarrel with the importance of this particular objective. While all the details are not known to us, and on that account do not endow us with the opportunity of passing a final judgment as to merit, it would seem at least that the objective the government had in mind in the concurrence it has given is one to which there can in principle certainly be no exception taken. Indeed in this thermonuclear age the only way we can defend ourselves, as we learned in 1947 when we set up NATO, is by some common defensive arrangement among likeminded nations. Certainly the defence of this continent presupposes common action between the United States and Canada. Therefore, any observations that we make on this side with regard to this matter or any questions we put have nothing whatsoever to do with the objective of preserving and guaranteeing the maximum measure of defence for the North American continent.

We are a nation dedicated to the principle of parliamentary democracy and under our system of government while the cabinet, the executive, is responsible for the formulation of foreign policy and also responsible for its execution, nevertheless either during the stage of negotiation—and that is a matter to be determined by the government—or after negotiations have been concluded and policies decided on it is the obligation of government under our parliamentary tradition to submit its policies to the representatives of the people for approval.

We are not asking the government to let this parliament decide on policy. We recognize that it is the responsibility of government alone to decide policy, but once they have decided, parliament has the right to be informed, to be given the opportunity of approving or disapproving. That opportunity has not been given to us in this matter. In fairness to the Minister of National Defence (Mr. Pearkes), this particular arrangement is of an interim character, as he himself says. What is that interim arrangement? We have not been told about it. We are entitled to know how it was reached. As the former secretary of state for external affairs said today, while we have no right to ask what discussion has taken place in cabinet, we have the right to know whether or not there was a discussion in cabinet on this matter. We have the right to—

Mr. Pearkes: May I ask a question? The hon. member will recall that the Prime Minister said this matter had been discussed in cabinet.

Mr. Martin (Essex East): What the Prime Minister said in answer to the questions I put to him was that this represented the policy of the government as a whole. That was the reply of the Prime Minister to my question. Was this matter discussed in cabinet? Was this matter discussed in the defence committee? When I asked these questions exception was taken to them. The Prime Minister told us later that the pattern being followed in this matter was the same as that we had followed in the matter of the Ogdensburg agreement which followed the discussions between the president of the United States and Mr. Mackenzie King in 1940. Again the North Atlantic Treaty Organization had been decided on by the government of the day as a matter of policy, and later that treaty was submitted to parliament for approval. Contrary to what the Prime Minister did say, the Ogdensburg agreement likewise was submitted to parliament; it was submitted to parliament on November 12, 1940, by the right hon. prime minister of that day. He outlined not only the terms of the agreement but the conversations that began a few months previously at Hyde Park with the president of the United States, and he also indicated something which has not been yet indicated by the Minister of National Defence.

Mr. Browne (St. John's West): May I ask the hon. member a question? He just made the remark that the prime minister of the day introduced the debate in the House of Commons in August, 1940, and then he went on to say that the conversations had taken place a few months previously at Hyde Park. How much had parliament learned in the meantime?

Mr. Martin (Essex East): If my hon. friend will look at the debate he will see that parliament was told everything. There is a difference between conversations in the stage of negotiation which had yielded no decisions and conversations which resulted in actual agreements.

I argued a few moments ago that no one expects the government, in the conduct of its foreign policy, during negotiations to reveal the details of those negotiations. No one contends that; but what I am saying is this. What the prime minister of that day did, as a result of his discussions at Ogdensburg with the president of the United States, was to give the information to parliament at the earliest possible opportunity. He outlined for parliament the nature of those discussions and the agreement concluded.

Mr. Pearkes: Agreement made in August.

Mr. Martin (Essex East): All right, let me finish this. I asked the Minister of National Defence whether before the present government arrived at its decision, did it, let us say, as a matter of courtesy—although I think it could be put on much stronger grounds—advise Her Majesty's government in the United Kingdom? My hon. friend has not yet replied to that question. In the case of the Ogdensburg agreement, the prime minister of the day pointed out at page 56 of *Hansard* that His Majesty's government in the United Kingdom had been apprised of the nature of the discussions with the president of the United States.

I am not suggesting that there is any constitutional necessity for doing so, but in the matter of collaboration, particularly in matters of defence, it seems to be the elementary thing to do, namely to discuss such matters with one's associates, one's allies. We asked the government, was there an order in council giving effect to the decision arrived at? Was there a minute of council?

And, Mr. Speaker, you will recall that when we asked for a minute, on reflection I thought that I should not persist in that request, that possibly it was an improper one. But on further reflection, I do not think it was because I find that on November 12, 1940, the prime minister of that day, in reporting on the Ogdensburg agreement, actually tabled in parliament the minute of cabinet by which this matter was decided on by the executive arm of government.

In this particular matter, a matter of the greatest importance to this nation, we have no document whatsoever, no interim agreement, no order in council, no minute of cabinet.

Mr. Green: May I ask the hon. member a question? Is he suggesting that cabinet minutes should be tabled in this house?

Mr. Martin (Essex East): My hon. friend has not been listening to what I have said.

Mr. Green: I have.

Mr. Martin (Essex East): On November 12, the government of the day did table the minute.

Mr. Green: Are you suggesting now that any cabinet minute should be tabled in the house?

Mr. Martin (Essex East): No, I do not suggest that. It is up to the government to decide whether any particular document that it has should be tabled. If it involves matters of security, the government alone should determine whether or not that information

should be given; but, subject to that reservation, this house ought to have some indication of the decision taken by the government in respect of a matter so important as this one.

Mr. Green: May I ask the hon. member again? He has not answered my question. Is he claiming that any cabinet minute should be tabled in the house, if requested?

Mr. Martin (Essex East): That has nothing to do with this and my hon. friend knows it. There are certain—

Some hon. Members: Oh, oh!

Mr. Green: You have a phony argument, that is all.

Mr. Martin (Essex East): My hon. friend knows perfectly well that in a matter of this sort there is no occasion for the kind of levity suggested by his question.

Some hon. Members: Answer.

Mr. Martin (Essex East): We are not asking for any information that is contrary to the rules of security. The other day, when the hon. member for Algoma East was putting his questions, the Prime Minister said: All right, we will give you this information, but on your shoulders will rest the responsibility for all that is revealed.

The hon. member for Algoma East quite properly replied, of course, as he repeated today, that that is a responsibility that belongs to the government. We have not had in this house the slightest information, except to be told by the Minister of National Defence that the responsibility in this matter, in the final analysis, rests with the government of the day and not with the continental air defence commander. He has not yet cleared up the inconsistency between that reply and the statement made by General Partridge on September 6, in which he said there would be no opportunity of consulting Washington and that there was no necessity in the context for him to consult the President of the United States. I do not think I do the Minister of National Defence injustice when I say that he has given us no information whatsoever by which we can reach a satisfactory conclusion, in the absence of the presentation in this house of the interim agreement. Here we have *Time* magazine—

Mr. Speaker: Order. I am sorry to interrupt the hon. member at this stage in his argument but it is my duty to inform him that his time has expired.

Hon. W. J. Browne (Minister without Portfolio): Mr. Speaker, I am sure we all regret the changes in the rules that require the subject to be finished tonight. I know I do for one, because I had hoped to have a few minutes to say something about the Colombo plan conference which was held in Saigon in October. Still, I will take advantage of the few minutes that remain.

Mr. Speaker: The hon. member for Nanaimo rose first in his place.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, in the few minutes that are left tonight I have one or two things that I should like to say. In the first place, I should like to add my congratulations to those of others to the Secretary of State for External Affairs (Mr. Smith) on the assumption of his post and taking his seat in the house, and also to congratulate the hon. member for Algoma East (Mr. Pearson) on his receipt of the Nobel peace prize. But I must say, Mr. Speaker, that I was very disappointed that neither the present Secretary of State for External Affairs nor the former secretary of state for external affairs gave to the parliament of Canada this afternoon any comprehensive survey of the world situation in which we find ourselves today. We had instead a rather limited account of certain actions in the United Nations. We had some very smart political footwork from the former secretary of state for external affairs, but it does seem to me that the people of Canada are asking for something better than that today.

I believe that the people of Canada are asking for the type of thing to which the leader of the C.C.F. referred this afternoon when he referred to Mr. George Keenan's statement with regard to the solution of problems in Europe. I believe the people of Canada will find a note in Dr. Hugh Keenleyside's recent speech that will strike a responsive chord, and I think that now is the time when both the government of the day and the official opposition should be taking a very serious look at the world in which we find ourselves to decide whether or not Canada's role should be entirely different from that which we have pursued in the past.

I believe we have to ask ourselves certain questions and to abide by the logic of the answers. The first question that I suggest we have to ask ourselves is, do we consider that the Soviet union is preparing at any time to launch a military war of aggression on the rest of the world or do we consider that the evidence points in the other direction? Many spokesmen in eminent places in the world have of recent months reached the conclusion that there is no evidence to support the idea that the rulers of the Soviet union are so insane that they are preparing to launch a war that must be as destructive to themselves as to the west.

If we agree with that point of view, Mr. Speaker, then I think we have to ask ourselves another question. In the light of that assessment of the situation, what is the most useful role that Canada can play in order to relieve the present extremely dangerous world tensions? I was thinking earlier this evening when we heard a long report on the abortive disarmament discussions at the United Nations that perhaps we are barking up the wrong tree entirely when we imagine that it is possible by such discussions to bring about a disarmament program without having previously allayed those tensions in the world which have caused the armament race. I think perhaps we are trying to put the cart before the horse, and I believe history bears me out on that.

I have lived long enough to remember repeated occasions upon which there were attempts to stop earlier armament races and on no occasions were those attempts successful. They were not successful in those earlier periods. There was always the possibility of military success in carrying out national policy and if there is a possibility today of reaching some agreement on disarmament it can only be on the basis that there is no longer that possibility of military victory.

I suggest, sir, that we should take another and rather realistic look, not without regard to our national pride, as to just how important a role Canada can play in actual fact in the military situation in the world today. I think we have to admit that our role will be almost imperceptible no matter what efforts we might put into it. What we are facing is two giants poised in an extremely dangerous position and because all our sympathies, shall I say, lie with one of those giants, is no reason in my opinion for us imagining that we are serving the cause of peace by tying ourselves to the policies of that one great power. In fact, it seems to me that we have a duty towards our friends in the United States to aid them in extricating themselves from the extremely dangerous position in which they find themselves today.

I suggest, sir, along the lines suggested by the leader of this group earlier this evening, that Canada should turn her attention to other serious matters in the world rather than making and continuing what are now admittedly ineffectual attempts to make a worth-while and significant contribution to the war between the giants. All the areas of the world that are undeveloped at the present time are in fact the most important sections of the world today because it is on the decisions made in those nations that will depend whether or not the spirit of democracy or totalitarianism is going to prevail in the world. We in Canada have a choice of continuing with defence expenditures—

An hon. Member: Ten o'clock.

Mr. Speaker: It being ten o'clock, it is my duty, in accordance with the arrangement reached between all parties, to interrupt these proceedings and put forthwith the question on the motion now before the house.

Motion agreed to and the house went into committee, Mr. Courtemanche in the chair.

The estimates of the following departments were first taken up and entered for consideration:

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

61. Departmental administration, $604,729.

DEPARTMENT OF FINANCE

119. Departmental administration, $2,157,871.

DEPARTMENT OF NATIONAL DEFENCE

Defence services—

240. To provide for the Canadian forces, the defence research board and other expenditures relating to defence, including costs incurred in the participation of the Canadian forces in the United Nations emergency force and contributions toward the military costs of the North Atlantic Treaty Organization; to authorize expenditures in the current year out of the amount hereby provided, not exceeding $130,000,000, under the provisions of section 3 of the Defence Appropriation Act, 1950, and to provide that, notwithstanding subsection (3) of that section, where equipment or supplies are transferred, the estimated present value thereof shall be credited to this vote instead of being paid into the special account mentioned in the said subsection (3), and when so credited may be expended for the purposes of the Canadian forces; and notwithstanding section 30 of the Financial Administration Act to authorize total commitments for the foregoing purposes of $3,338,164,131 regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,521,731,982 will come due for payment in future years), $1,669,450,149.

DEPARTMENT OF NATIONAL REVENUE

Customs and excise divisions—

290. General administration, $3,761,303.

PRIVY COUNCIL

Privy council office—

337. General administration, $444,962.

DEPARTMENT OF TRADE AND COMMERCE

414. Departmental administration, $672,473.

Proceedings reported.

BUSINESS OF THE HOUSE

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, may I have unanimous consent of the house to revert to motions in order to move that the estimates of the Department of External Affairs be referred to the standing committee?

Mr. Speaker: Is it agreed that the minister has leave to revert to motions?

Some hon. Members: Agreed.

EXTERNAL AFFAIRS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I move for Mr. Fleming, seconded by Mr. Brooks:

That items numbered 94 to 118 inclusive of the main estimates 1957-58, item numbered 617 of the supplementary estimates 1957-58 and item numbered 778 of the further supplementary estimates (2), 1957-58, be withdrawn from the committee of supply, and referred to the standing committee on external affairs, saving always the powers of the committee of supply in relation to the voting of public moneys.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Chevrier: What is the business for tomorrow?

Mr. Green: Tomorrow we shall commence with the resolution preceding the measure to amend the Unemployment Insurance Act, which is No. 14 on today's order paper. I understand arrangements have been made with the three opposition parties that this measure will be put through all stages tomorrow. Then we shall follow with the estimates of the Department of Veterans Affairs; after that the estimates of the Department of Justice and then the estimates of the Department of Naional Revenue.

Mr. Chevrier: May I ask what the intention is for Friday? I note that the business for Thursday has been outlined but for Friday it was suggested that we might have legislation or estimates. Has that matter been decided?

Mr. Green: The present intention is to continue with estimates on Friday.

Mr. Knowles (Winnipeg North Centre): Perhaps one point should be made clear, Mr. Speaker. The Minister of Public Works as house leader said that it was agreed amongst the parties to put the unemployment insurance measure through all of its stages tomorrow. So far as we are concerned, I think the agreement was that if the resolution stage was completed we would not insist on second reading being held over until the next day. I am not saying that it is impossible to get it through all stages tomorrow. The point I wish to make is that if, perchance, owing to others speaking at length, the debate is extended, it is conceivable that the legislation might not get through tomorrow. However, we have undertaken that if the debate at the resolution stage is completed, we will give consent to the second reading stage being proceeded with tomorrow.

Mr. Green: I believe the situation is that if the bill does not become law by Friday there will be disadvantage to the people who would be recipients of the benefits under the measure. As the hon. member knows, Thursday is a private members' day. We are never quite sure how long the other place will take to debate any of these measures as they are quite jealous of their rights. I thought it had been understood by all parties in the house that, as this is a measure which everybody appears to approve heartily, it could be put through tomorrow. However, we are in the hands of the house.

It being seven 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:

INDIAN BAND LISTS—NAMES REMOVED AND ADDED

Question No. 159—**Mr. Pickersgill:**

1. How many names have been definitely removed from Indian band lists as a result of action taken under section 9 of the Indian Act, since its coming into force?

2. How many names have been definitely added to the band lists in the same circumstances?

3. How many cases are still in dispute under section 9, subsection 3 of the Indian Act?

4. Are there any other questions as to the Indian status of an individual still in dispute and, if so, how many?

Answer by: **Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration):**

1. 21.

2. 244.

3. 5.

4. 14.

IMPORTS OF FRUIT AND VEGETABLES, B.C.

Question No. 183—**Mr. Christian:**

1. What quantities and what varieties of fruit have been imported into British Columbia during the past twelve months and what duties have been assessed and paid to the government in respect to such fruit?

2. What quantities and what varieties of vegetables have been imported into British Columbia during the past twelve months, and what duties have been assessed and paid to the government in respect to such vegetables?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1 and 2. The quantities and varieties of fruit and vegetables imported into British Columbia during the period August 1, 1956, to July 31, 1957, (latest period available) are shown in the attached statement.

No statistics are available for duties which have been assessed and paid to the government in respect to these imports.

In addition to the imports shown in the statement, there were some imports of "Guavas, mangoes, plantains, and pomegranates" (statistical classification 8) and of "Fresh fruits, n.o.p." (statistical classification 20) for which statistics of quantity are not available.

Questions

1 and 2. Imports of fruits and vegetables cleared through customs ports in the province of British Columbia during the period August 1, 1956 to July 31, 1957.

Statistical Account	Classification reading	Unit of Quantity	Quantity
1	Apples	Lb.	6,680,871
2	Apricots, quinces, passion fruit and nectarines	Lb.	1,982,919
3	Bananas	Cwt.	444,675
4	Cherries	Lb.	108,348
5	Cranberries	Lb.	457,782
6	Grapefruit	Lb.	12,902,287
7	Grapes	Lb.	16,643,422
9	Lemons	Lb.	3,286,171
10	Limes	Lb.	36,757
11	Musk melons and cantaloupes	Lb.	5,731,897
12	Melons, n.o.p.	No.	619,236
13	Oranges, mandarines and tangerines	Cu.foot	1,674,932
14	Peaches	Lb.	6,312,459
15	Pears	Lb.	2,772,366
16	Pineapples	Lb.	953,941
17	Plums or prunes	Lb.	2,185,444
18	Berries, n.o.p.	Lb.	9,036
19	Strawberries	Lb.	6,504,759
31	Apples, dried	Lb.	151,960
32	Apricots, and nectarines dried	Lb.	92,076
34	Currants, dried	Lb.	2,387,082
36	Dates	Lb.	2,481,783
37	Figs, dried, and fig paste	Lb.	407,376
38	Peaches, dried	Lb.	46,801
39	Prunes or plums, dried, unpitted	Lb.	1,340,663
40	Pears, dried	Lb.	9,078
41	Raisins	Lb.	10,964,962
42	Fruits, dried, n.o.p.	Lb.	52,778
43	Raspberries, frozen, in containers of 1 lb. or less	Lb.	600
44	Raspberries, frozen, in containers over 1 pound	Lb.	16,414
45	Strawberries, frozen, in containers of 1 lb. or less	Lb.	248,625
46	Strawberries, frozen, in containers over 1 lb	Lb.	430,047
47	Fruits, n.o.p., frozen, in containers, of 1 lb. or less	Lb.	27,877
48	Fruits, n.o.p., frozen, in containers over 1 lb	Lb.	885,139
49	Apricots, canned	Lb.	627,791
50	Peaches, canned	Lb.	3,480,897
51	Cherries, sulphured or in brine, not bottled	Lb.	531,874
52	Olives, sulphured or in brine, not bottled	Lb.	900,347
55	Pears, canned	Lb.	337,229
56	Pineapple, canned	Lb.	5,625,377
57	Fruits, n.o.p., canned	Lb.	2,955,161
*58	Cherries, frozen, in containers of 1 lb. or less	Lb.	240*
*59	Cherries, frozen, in containers over 1 lb	Lb.	31,500*
64	Mixed fruits or fruits for salads, canned	Lb.	4,328,692
111	Asparagus	Lb.	1,294,528
112	Beans, green	Lb.	377,882
114	Beets, n.o.p.	Lb.	177,399
115	Cabbage	Lb.	8,083,246
116	Carrots	Lb.	11,812,723
117	Cauliflower	Lb.	5,723,128
118	Celery	Lb.	8,864,220
119	Cucumbers	Lb.	1,563,071
120	Lettuce	Lb.	15,899,235
121	Mushrooms, and truffles, n.o.p.	Lb.	48,651
122	Onions and shallots	Lb.	15,101,321
123	Peas, green	Lb.	292,658
124	Potatoes, sweet, and yams	Cwt.	16,660
125	Potatoes, n.o.p.	Cwt.	567,102
126	Spinach	Lb.	984,762
127	Tomatoes	Lb.	17,307,357
128	Vegetables, fresh, n.o.p.	Lb.	11,255,151
	* Period January 1, to July 31, 1957 only.		
129	Vegetables, frozen, in containers of 1 lb. or less	Lb.	1,484,780
130	Vegetables, frozen, in containers over 1 lb	Lb.	1,886,917
133	Potatoes, dried, and sweet, potatoes n.o.p.	Lb.	71,673
134	Vegetables, dried, including vegetable flour, n.o.p., for edible purposes	Lb.	120,559
137	Tomatoes, canned	Lb.	5,576,729
141	Asparagus, canned	Lb.	565,247
143	Corn, canned	Lb.	2,338,661
144	Mushrooms and truffles, canned	Lb.	72,733
145	Peas, canned	Lb.	83,035
147	Vegetables, n.o.p., canned	Lb.	2,386,324
148	Pimentos, canned	Lb.	41,346
149	Beans, green or wax, canned	Lb.	4,625

PULP AND PAPER MILL, MIRAMICHI RIVER

Question No. 190—**Mr. McWilliam:**

Has the federal government made representation to the provincial government of New Brunswick, towards the establishment of a pulp and paper mill on the Miramichi river in that province?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

There is no record of any such representations having been made.

ICEBREAKING EXPENDITURES, LAKEHEAD

Question No. 212—**Mr. Fisher:**

1. What has been the contract price paid for icebreaking at the Canadian lakehead harbours for 1955, 1956 and 1957?
2. Is the contract price set annually? If not, what basis of variation is there for changing ice difficulties from year to year?
3. When will the tenders or contracts be advertised for the 1958 season?
4. Has the department any knowledge of suitable icebreakers at, or likely to be at, the Canadian lakehead for the 1958 season?
5. If so, what are the ships and owners?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

1. $95,000 per annum under a three-year contract, January 1, 1954 to January 1, 1957. Besides icebreaking, this contract covered the transportation of lightkeepers, their assistants and families to and from certain isolated island stations in the vicinity of the lakehead; and the maintenance and servicing of certain floating aids to navigation. A separate contract was entered into for the opening of navigation, 1957, at $75,000 and covered lightkeeper transportation and buoy placing, as did the previous three-year contract.

2. (a) Answered by No. 1 above. (b) There has been no basis for price variation. Contracts have been on the firm price basis and the contractor assumes the risk for severe winter conditions and consequent prolonged icebreaking activities.

3. On or about October 1, 1958, if the Department of Transport's icebreaker and lighthouse tender, presently under construction, is not ready for service in time.

4. A contract is being entered into for the winter season of 1957-58 with the Hindman Transportation Company, Owen Sound, Ontario, which was the successful tenderer in a recent tender call for this purpose.

5. S.S. *Ruth Hindman* and M.V. *Helen Hindman* owned by Hindman Transportation Co., Ltd, Owen Sound, Ontario.

N.H.A.—OPEN END MORTGAGES

Question No. 221—**Mr. Martin (Essex East):**

1. Has the government received representations from any body, through the regional employment committee of the city of Windsor, to consider the amending of the National Housing Act to allow for the setting up of open-end mortgages?
2. If so, has the government taken any action to amend the National Housing Act in line with such suggestions?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Officials of Central Mortgage and Housing Corporation met with a delegation from the city of Windsor, led by Mayor Michael Patrick, on October 7, 1957 and discussed with them some aspects of having an open-end clause in mortgages taken to secure loans under the National Housing Act.

2. If it is decided to introduce legislation to amend the housing act in this or other particulars, an announcement will be made by the government at the appropriate time.

HOUSE OF COMMONS

Wednesday, November 27, 1957

The house met at 2.30 p.m.

PRIVILEGE

MR. JOHNSON (KINDERSLEY)—REFERENCE TO REPORT IN SASKATOON "STAR-PHOENIX"

Mr. W. M. Johnson (Kindersley): I rise, Mr. Speaker, on a question of privilege, which action I delayed until the Minister of Northern Affairs and National Resources had returned to the house from the recent dominion-provincial conference.

It is reported in the Saskatoon *Star-Phoenix* of November 19, 1957, that the Minister of Northern Affairs and National Resources, when speaking to a Conservative nominating convention in Moose Jaw and referring to the cash advance proposal, said:

> C.C.F. members oppose the move as useless, although it was supported by farm organizations.

My question of privilege is based on this false statement. The minister must know full well that every member of the C.C.F. party, far from opposing the legislation, voted for it. On the other hand, six members of the Liberal party opposed the measure by voting against the cash advance proposal. The C.C.F. members in supporting the proposal made it quite clear, as have the farm organizations, that cash advances, as a welcome first step, will not solve the problem of the cost-price squeeze facing western farmers, but that further comprehensive legislation is required.

I noticed in the same paper the minister's complaint of inadequacy of news reports on western members, and it would appear to me that this inadequacy is not being resolved by the distortion of facts by the minister. I am sure the minister will want to take the first opportunity of correcting the statement he has made and of giving an apology to the members of this group who have been misrepresented.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I have no hesitation at all in supporting the question of privilege on the part of the hon. member for Kindersley. What I said, but what was not quoted in the press, was that one member of the C.C.F. had opposed this proposal, and I used his own words. I made no mention at all in that speech of the C.C.F. in general opposing cash advances.

Mr. Coldwell: Might I ask who was the one member concerned, because I have no recollection of this.

Mr. Hamilton (Qu'Appelle): I said one member, in his remarks in this house, had described it as useless.

Mr. Coldwell: Well, who was that? I have no recollection.

An hon. Member: He does not know.

DOMINION-PROVINCIAL CONFERENCE

STATEMENT ON PROCEEDINGS BY PRIME MINISTER

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have a statement to make concerning the dominion-provincial conference, and also I should like to table for the information of the house two copies of the communique as well as several copies of the report of the proceedings in English. A French translation thereof will be available shortly. In tabling copies of the preliminary verbatim report of the public proceedings of the dominion-provincial conference, I should like to make clear that the verbatim reports tabled herewith are those furnished to the conference immediately following the session, and have still to be corrected by the speakers themselves before they are issued in final, printed form, which will be distributed to each hon. member of the house in due course. The report speaks for itself in detail, and all I will do is give a general summary of the substance of the agreed communique.

In my letters to the provincial premiers of September 16 and October 31, which have been printed as appendices to *Hansard*, I indicated to the provinces the nature and purpose of the conference that we proposed. I think the accounts of the proceedings indicate clearly that the conference in fact carried out these intentions.

As I made clear in my opening statement to the conference, it was convened in order to seek the ideas and proposals of the provincial governments and to explain the general views of the dominion government. This government did not place any rigid formulas

before the meeting for approval, nor did it adopt any take it or leave it attitude. It endeavoured to learn the up to date views of the provincial representatives.

I will not endeavour to recapitulate here the points of substance I made in my opening statement to the conference. Printed copies of that statement will be in the hands of hon. members in due course.

The agreed communique of the conference indicates that sufficient progress was made on certain items to permit action to be taken on them. In particular, the government is proposing to bring before parliament at this session an amendment to the Unemployment Assistance Act to remove the so-called threshold provision, under which the dominion treasury makes no contribution toward the cost of the eligible cases upon relief roles until they exceed .45 per cent of the provincial population. A suitable measure will be drafted and placed before the house in due course to carry out this policy, which should make it easier for a number of the provinces to make suitable arrangements to assist their municipalities in carrying this burden of assistance to persons in need. It is proposed to make this change effective at the beginning of 1958.

In my statement to the conference I said that the present government was inclined to recommend to parliament a change in the Hospital Insurance and Diagnostic Services Act to remove the clause providing that the payments to provinces under that act shall commence only when six provinces, containing at least half the population of Canada, have entered into agreements under it and have their own related acts in force. In place of that we would substitute a more definite date for commencement of the plan.

We found no provinces expressing any strong views against this change, and consequently I would now like to announce our intention of proceeding with it when opportunity offers. Consideration will have to be given as to what particular time will be selected and as to whether other changes in the legislation will be desirable.

I am sure all members of the house will welcome the announcement in the communique that:

> It was generally agreed that the over-all economic position of the Atlantic provinces is now such as to justify some special grants in aid to the governments of those provinces from the federal government.

This is the most important immediate result of our meeting this week. The dominion government will now proceed to consider in detail what it should propose in order to implement this general policy.

[Mr. Diefenbaker.]

The conference was invited to review the present tax sharing arrangements, and possible changes suggested by some of the provinces in the tax sharing arrangements act were discussed. As I made clear in my opening statement, the dominion government did not put forward any suggestions in this field, and it was understood that no endeavour would be made to reach definite conclusions on it at the meeting this week. Further consideration will be given by the government to this general subject in the light of the statements made during the public sessions by the provincial premiers, and also the subsequent discussion that took place in committee.

The discussions were generally held in a harmonious spirit, and I would like to pay my tribute personally at this time to the manner in which the provincial representatives came to the meeting to discuss in a most constructive manner questions of interest to all the provinces and to the nation as a whole. At the conclusion of the meeting the representatives of the provinces expressed their satisfaction at being able to put their views before the conference, both in open session and in committee. A subsequent meeting as soon as possible in the new year will be held in accordance with the proposals made by this government in calling the conference.

Hon. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, the Prime Minister has mentioned that a good measure of agreement has been reached on certain matters. Might I ask if the premier of Quebec has acquiesced to the signing of an agreement regarding unemployment assistance; and second, if the premier of Quebec has signified his intention to establish a hospital insurance plan in that province?

Mr. Diefenbaker: Mr. Speaker, any representations made by the premier of Quebec in the open session are available in the records. Any arguments or considerations that were advanced on behalf of any of the provincial prime ministers or by any of their representatives in committee of course are not open and available.

Mr. Lesage: A supplementary question, Mr. Speaker. The Prime Minister was the one who mentioned that a good measure of agreement had been reached—

Mr. Gauthier (Portneuf): Yes.

Mr. Lesage: —on definite matters, and those two matters were mentioned. It seems to me that members of the house are entitled to know—

Some hon. Members: Question.

Mr. Lesage: —if the province of Quebec participated in that measure of agreement that was reached.

An hon. Member: It was in camera.

Mr. Diefenbaker: Mr. Speaker, I simply pointed out the facts, and I am sure the premier of Quebec will be able to express himself, if he chooses to, so that my hon. friend will understand what was said by him during the progress of the in camera sittings.

Some hon. Members: That is not an answer.

Mr. Gauthier (Portneuf): Skating on thin ice again.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister a question arising out of the statement he has made regarding the federal-provincial conference. In view of the fact he has now made statements outside of the house that we were unable to get from him in this house concerning legislation of this parliament, may I ask him if he will now tell us what date he has in mind for bringing the hospital insurance act into effect. Will he also tell us what the government intends regarding the inclusion of mental and tubercular illnesses under the provisions of this act, since this too is a subject that he discussed at the federal-provincial conference?

Mr. Diefenbaker: Mr. Speaker, with regard to the first question I would point out this. In view of the fact that any decisions that might be arrived at in this regard would generally affect the whole field of dominion-provincial relations as between the government of Canada and the provinces, there was no information furnished to the provinces or their representatives that was not available to parliament. As far as the date of commencement of the plan is concerned, in my earlier statement I said that after consideration by the cabinet of the views expressed yesterday by the provinces this will be brought first and foremost before parliament.

With regard to the other matter raised, as to the inclusion of the particular types of hospitals to which my hon. friend made reference, that decision, too, will have to be taken by the cabinet in the light of the representations made during the past two days, and when the decision is made it will be immediately communicated to the house.

Mr. Knowles (Winnipeg North Centre): May I ask a supplementary question, Mr. Speaker. In view of the way in which the Prime Minister ties the Hospital Insurance and Diagnostic Services Act and other matters in with federal-provincial fiscal arrangements, can he say whether these two changes in the Hospital Insurance and Diagnostic Services Act have to wait until after there has been another federal-provincial conference?

Mr. Diefenbaker: The answer is no.

Mr. Martin (Essex East): Mr. Speaker, may I ask a supplementary question.

Mr. Speaker: Order. The practice the house has followed so far this session with respect to statements made on routine motions has been for one member of each group to comment or raise questions, and I do not think we ought to go beyond that. It seems to me to be a sound limitation on statements of this kind.

Mr. Diefenbaker: Mr. Speaker, in view of the fact that my hon. friend has not had an opportunity I think he ought to be allowed to ask the question.

Mr. Speaker: If there is no objection on the part of the house, I have none.

Hon. Paul Martin (Essex East): I thank the Prime Minister for his generous attitude in this particular matter. I was going to say that no one on this side had asked the Prime Minister any questions regarding the matter of hospital insurance. I should like to ask the Prime Minister whether his proposal made on Monday to the provinces for the inclusion of mental illnesses and tuberculosis, tied in as it is with the further grants which the government may or may not make to the provinces, was accepted by any province at this conference; or is it not a fact that the provinces generally wanted the inclusion of mental illnesses and tuberculosis but they wanted it without any conditions attached, or without any withdrawal of moneys which might be made available to them pursuant to the fiscal agreements that may come into being as a result of my hon. friend's new policy?

Mr. Diefenbaker: Mr. Speaker, I will not, of course, reveal what took place in the in camera sessions, but I will read what I said which indicates that what my hon. friend has interpreted as a condition was in fact not a condition:

> My colleagues and I have no objection in principle to introducing amendments in parliament to provide for inclusion of mental hospitals and tuberculosis sanatoria which have been estimated will cost $68 million to begin with if all the provinces come in and the cost will mount year by year but we wish to make clear that whatever is offered to provincial treasuries in this matter—

And, as I pointed out, the cost is $68 million.

> —cannot be provided in other forms, and in particular must be taken into consideration in any revision that takes place of the tax-sharing arrangements act.

There is no condition in that.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: If my hon. friends do not appreciate it, certainly I think the premiers of the provinces did. It is simply a statement of fact that if, over and above what the government of my hon. friend provided for in the legislation, we are to advance a yearly amount of $68 million, certainly a figure of such size will have to be taken into consideration in any revision of the agreements which, incidentally, were signed in April, 1957, and have five years to run.

We wanted to get the views of the provinces. There is no responsibility on us to endeavour to open up that which has been agreed to.

But feeling as we did that reconsideration should be given, it was pointed out by me in these words, not as a condition but as a fact, that the voluntary assumption of something the government of my hon. friend had refused to do, having regard to its cost, would necessarily reduce available moneys for other purposes.

Mr. Martin (Essex East): There was a condition, obviously.

Mr. Solon E. Low (Peace River): Mr. Speaker, I had intended asking a question similar to the one asked by the hon. member for Essex East, but that question has been asked and answered. However, there is another one that I should like to ask. The Prime Minister mentioned that the government was giving consideration to payment of grants in aid to the Atlantic provinces. I was wondering if we are correct in assuming that these grants in aid are to be in addition to payments made under the formula contained in the tax sharing act.

Mr. Diefenbaker: Yes, Your Honour. Actually any additional assistance to meet the peculiar position of the maritimes would be over and above those payments now provided for under the tax sharing arrangements act.

[*Later:*]

On the orders of the day:

Mr. L. T. Stick (Trinity-Conception): Mr. Speaker, I should like to ask the Prime Minister a question. I desire clarification of the reply he gave to the hon. member for Peace River who asked him, I think, if the grant in aid which the government is considering making to the Atlantic provinces is in addition to the payment under the formula contained in the tax sharing agreement. In his reply the Prime Minister used the words "maritime provinces". Is Newfoundland included in the reply?

[Mr. Diefenbaker.]

Mr. Diefenbaker: Mr. Speaker, the answer I gave was supposed to cover all the Atlantic provinces. I referred to the Atlantic provinces yesterday, and I certainly intended that they should all be included today.

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, perhaps I may also ask a question for the purpose of clarification of the use of language. During part of his speech the Prime Minister referred to the leaders of the provinces as premiers, and in other parts he referred to them as prime ministers. Perhaps he could inform us which he regards as correct usage?

Mr. Diefenbaker: Mr. Speaker, I think that question has been asked several times of persons in my position, and having regard to the past record it seems to be a case of you take your choice.

NATIONAL HOUSING ACT

AMENDMENTS RESPECTING AGGREGATE AMOUNT AVAILABLE, DOWN PAYMENTS, ETC.

Hon. Howard C. Green (Minister of Public Works) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the National Housing Act, 1954 to increase from two hundred and fifty million dollars to four hundred million dollars the aggregate amount that may be paid out of the consolidated revenue fund under subsection 1 of section 22 of the act; and also to provide for the reduction of down payments.

Motion agreed to.

STARRED QUESTIONS

CANADA COUNCIL—APPLICATIONS FOR CAPITAL ASSISTANCE

Question No. 24—**Mr. Fisher:**

1. Has the Canada Council received any applications for capital assistance under section 9 of chapter 3, 5-6 Elizabeth II?

2. If so, from what schools or colleges that are not recognized as universities?

3. What are the names of any schools or colleges which have been approved or accepted as "similar institutions of higher learning" as phrased in section 9 of this act?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think I will summarize the answer to the three questions in this way. Paragraph 13 of the Canada Council Act states precisely:

The council is not an agent of Her Majesty—

Paragraph 23 of the act clearly specifies the manner in which the council is to report to parliament annually. You will recall that an amendment was moved by the hon. member for Greenwood (Mr. Macdonnell) during

the debate on the second reading of the bill, whereby provision is made under this paragraph for a review of the report by parliament. Neither the Canada Council Act nor any other legislation lays any duty upon the council to report to parliament otherwise.

In so far as these questions are concerned, we do not have in the records the information requested, and we have no power to direct the council to furnish that information. It will be recalled that when the now Leader of the Opposition (Mr. St. Laurent) moved the resolution he emphasized this aspect of the legislation, and stressed that the council should be made as free as possible of possible government interference.

As a result of the legislation as passed, we do not consider that we have the power to ask the council to reveal information about applications it receives, other than the information given in the annual report. I would point out it could only be damaging to the organizations concerned if the council were to reveal information about applications which it had received and had not approved. Under the circumstances I trust my hon. friend, having regard to the law as it is, will not press further for answers respecting these questions.

ARCTIC OCEAN—CANADIAN SOVEREIGNTY

Question No. 26—**Mr. Lesage:**

Are the waters of the Arctic ocean north of the Arctic archipelago up to the north pole, in the so-called Canadian sector, Canadian waters?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, the answer is that all the islands north of the mainland of Canada which comprise the Canadian Arctic archipelago are of course part of Canada. North of the limits of the archipelago, however, the position is complicated by unusual physical features. The Arctic ocean is covered for the most part of the year with polar pack ice having an average thickness of about eight feet. Leads of water do open up as a result of the pack ice being in continuous motion, but for practical purposes it might be said for the most part to be a permanently frozen sea. It will be seen, then, that the Arctic ocean north of the archipelago is not open water nor has it the stable qualities of land. Consequently the ordinary rules of international law may or may not have application.

Before making any decision regarding the status which Canada might wish to contend for this area, the government will consider every aspect of the question with due regard to the best interests of Canada and to international law.

Questions

BUTTERFAT IMPORTS

Question No. 32—**Mr. Peters:**

1. Has butterfat in a semi-solid form, or any synthetic form of butter or butterfat been imported into Canada since January 1, 1957?
2. If so, from what countries and in what quantities from each country?
3. Has a tariff been levied against this product, and if so, at what rate?
4. Has the government taken steps to analyse the content of this product, and if so, what is the chemical result?
5. For what purpose is this product now being used?
6. Has the government received any submission opposing the importation of this butterfat concentrate?

Hon. Ellen L. Fairclough (Secretary of State): The answer to section 1 of this question is yes.

The answer to section 2 is that since there is only one importer, under the terms of section 15 of the Statistics Act this information cannot be released.

The answer to section 3 is yes, the most favoured nation tariff rate of 20 per cent ad valorem under tariff item 711.

The answer to No. 4 is that the food and drug directorate of the Department of National Health and Welfare has analysed samples of butter oil imported into Canada and has found the product to contain 99.6 per cent milk fat and 0.4 per cent moisture. These samples were also found to comply with the chemical specifications of milk fat as stated in the regulations under the Food and Drugs Act.

The answer to section 5 is that importers of this commodity are not required to file with the government any statement of usage. However, it is common knowledge that butter oil is used in the manufacture of a variety of processed dairy products.

The answer to section 6 is that butter oil and any other form of butterfat containing 55 per cent or more of butterfat were placed under import control by P.C. 1957-1475 of November 13, 1957.

NORTHERN ONTARIO PIPE LINE—UNION AGREEMENTS

Question No. 33—**Mr. Fisher:**

1. In the contracts made and pending between Northern Ontario Crown Corporation and contractors building the pipe line, are there any provisions regarding union agreements between the labour force to be used and the contractors?
2. If so, what is the substance of such provisions?
3. With what unions and locals did agreements exist for the working season of 1957 on the four pipeline spreads west of the lakehead?

Mr. Thomas M. Bell, Parliamentary Assistant, for the Minister of Trade and Commerce: The answer to part 1 is no.

There is no answer to part 2.

The answer to part 3 is as follows. The united association of journeymen and apprentices of the plumbing and pipefitting industry of the United States and Canada; the international union of operating engineers; the international hod carriers' building and common labourers' union of America; the international brotherhood of teamsters, chauffeurs, warehousemen and helpers.

AIR TRAFFIC SECURITY ORDER SOR/57-450

Question No. 34—**Mr. Barnett:**

1. What is the purpose of security control of air traffic order SOR/57-450, air navigation order, series V, No. 14?
2. What are the main departures from past flight requirement regulations affected by this order?

Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport: The answer to part 1 of this question is that this order was produced at the request of the Department of National Defence and is designed to permit the identification of aerial traffic within certain areas of Canada by means of flight plans and radar. These regulations are required by national defence in the interests of national security.

As to part 2, the answer is that security rules for coastal and domestic air defence identification zones and security identification zones have been before the public for some years in other form. The order combines those requirements with the rules for flight into and within the mid-Canada and distant early warning identification zones. The main departure from past requirements is that the requirements for security control of air traffic will be more readily enforced.

AIRPORT CONSTRUCTION, ALMA, QUE.

Question No. 38—**Mr. Gauthier (Lake St. John):**

1. Is consideration being given by the government to the construction of an airport at Alma (St. Joseph d'Alma), in the county of Lac-Saint-Jean?
2. Has the town of Alma transferred to the Department of Transport the necessary land for the construction of this airport?
3. If not, what stage has been reached by the proceedings in this respect?
4. Will the Minister of Transport give consideration to including necessary amounts in the estimates next year for the carrying out of this project?

Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport: The answer to part 1 is that the government has already assisted with the construction of a gravel surfaced landing strip at St. Joseph d'Alma and is now considering further development of the strip to provide a hard-surfaced runway.

As to parts 2 and 3, the answer is that the land has not yet been transferred to the Department of Transport, but the Department of Justice has recently appointed an agent to act on behalf of the crown in connection with the transfer.

The answer to part 4 is that the matter is receiving active consideration.

FOOD CONTAMINATION BY RADIOACTIVITY

Question No. 39—**Mr. Argue:**

1. Has the government taken any action to determine if the food consumed by the Canadian people is being contaminated by radioactivity as a result of atomic bomb fall-out?
2. If so, what policy directives have been issued to this end?
3. Has the government authorized the setting up of a specialized laboratory or other equipment to determine the levels of radioactivity in the food supply?
4. If so, (a) have any reports been made so far as a result of these experiments; (b) what conclusions have been reached; (c) if no reports have been made so far, when may they be expected?

Hon. Ellen L. Fairclough (Secretary of State): Mr. Speaker, in answer to the first part of the question, yes; surveys have been and are being made by the Department of National Health and Welfare of canned fish and of other canned and uncanned foods.

With reference to part 2, no specified policy has been adopted other than the enforcement of the requirements of the Food and Drugs Act. So far as the Department of Fisheries is concerned, frozen and canned imported tuna fish which could come from an area affected are examined by the use of suitable equipment in the department's fish inspection laboratory at Vancouver. Up to the moment no evidence of radioactivity has been found. There have been no policy directives issued in this connection.

With reference to part 3, yes; the Department of National Health and Welfare has begun a program to study the radioactivity of foods, environmental factors such as soil and pasture, and other biological substances.

With respect to section 4: (a) while no reports have been published to date, results have been submitted to the United Nations scientific committee on the effects of atomic radiation; (b) the levels of radioactivity in food which have been determined to date are very low and (c) the work done will be summarized in the annual report of the Department of National Health and Welfare.

FEDERAL ASSISTANCE TO UNINSURED UNEMPLOYED, ONT.

Question No. 40—**Mr. Houck:**

1. Has an agreement been entered into between the federal government and the government of the province of Ontario for financial assistance to municipalities in that province to aid unemployed persons who are not covered by unemployment insurance?

2. If not, has the province of Ontario been in negotiation with the federal government regarding an agreement being reached, and if so, what is the status of these negotiations?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker the answer to the first part of this question is no.

With respect to the second part of the question, the matter of participation by Ontario in the Unemployment Assistance Act of 1956 is currently under discussion with the Ontario authorities.

NORTHERN ONTARIO PIPE LINE—U.S. EMPLOYEES

Question No. 41—**Mr. Benidickson:**

1. Has the government ascertained if all American nationals at work on the sites of the pipe line spreads under construction in northern Ontario for the pipe-line company have entered Canada lawfully and have governmental authorization for working in the particular trade each is actually performing?

2. If not, will the government send representatives of the R.C.M.P. or the departments of citizenship and immigration or labour to investigate?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, this question is in two parts. The answer to part 1 is that all applicants for entry to Canada are examined to ensure that the applicant qualifies under the laws and regulations in force. In addition, applicants for non-immigrant entry to Canada for employment, from firms or individuals, are closely scrutinized and liaison is maintained with the national employment service to determine whether qualified Canadian workers are available. If it is ascertained that qualified Canadian workers are available, permission to enter Canada for employment is refused.

In answer to part 2, where a specific complaint is registered against a company or an individual for alleged contravention of the conditions of entry for employment, a joint investigation by the Department of Labour and the Department of Citizenship and Immigration is carried out.

NUNS' ISLAND BRIDGE

Question No. 42—**Mr. Leduc (Verdun):**

1. What are the names of the persons who prepared the plans and specifications for the new bridge over the St. Lawrence river between Verdun and Laprairie, via Nuns' island?

2. Have the said plans been finally accepted by all parties concerned?

3. Have tenders been called or advertised for this construction? If so, (a) by what means; (b) what are the names of those who submitted tenders and the amount of each tender?

4. Has a general contract been awarded? If so, (a) by whom; (b) to what firm and at what price; (c) does it cover the whole undertaking or are there separate contracts for concrete, the substructure and/or superstructure?

5. Have subcontracts been awarded? If so, (a) under whose authority; (b) to whom and at what price; (c) by what means were they invited?

6. What stage has been reached in the preliminary work, about what date are the substructure and the superstructure expected to be laid, and when is the work to be completed?

7. Who undertook the construction of the concrete piers on the south shore on the approaches to the bridge?

Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport: Mr. Speaker, I have the answer available to question 42; it is a rather lengthy and detailed answer, and I wonder if the hon. members would allow me to table it so it can be printed in *Hansard*.

Mr. Speaker: Is it the pleasure of the house that the answer be printed on *Hansard* as though it had been read?

Some hon. Members: Agreed.

Mr. MacDonald (Antigonish-Guysborough):

1. Dr. P. L. Pratley, with Lalonde & Valois as associates.

2. No—all plans not yet completed.

3. Three contracts for preliminary work have been let—(a) By public tender notice; (b) construction of piers 1E, 1W, 2E and 2W, Atlas Construction Co. Limited, $620,063.40; A. Janin & Cie Limitée, $666,537.00; Walsh-Canadian Construction Co. Ltd., $696,036.90; Canit Construction Company Ltd., $721,210.00; McNamara (Quebec) Limited, $778,142.04; Pentagon Construction Co. Ltd., $823,976.85; the Foundation Company of Canada Ltd., $968,759.00.

Fill material—north end: Edouard Monette Limited, $63,000.00; Highway Paving Co. Ltd., $150,000.00.

Supply and placing of fill for roadway, south shore: Walsh-Canadian Construction Co. Ltd., $47,450.00.

4. No.

5. No.

6. Plans for the major portion of the bridge are now in the final stage of completion and it is anticipated that the work will be put under contract during the first half of 1958. Completion date cannot yet be definitely determined.

7. Atlas Construction Co. Limited.

NUNS' ISLAND BRIDGE

Question No. 43—**Mr. Leduc (Verdun):**

1. When completed, who will operate the new bridge over the St. Lawrence river between Verdun and Laprairie, via Nuns' island?

2. Will tolls be charged on this bridge?

3. If so, will users desiring to leave the bridge to proceed to Nuns' island be exempted, and will citizens of Verdun receive preferential treatment?

Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport: Mr. Speaker, the answer to the first part of the question is: the national harbours board. The answer to the second part is: yes, in accordance with

the first announcement of the construction of the bridge by the former minister of transport.

In answer to part 3, exemptions and preferential treatment are not anticipated.

QUESTIONS PASSED AS ORDERS FOR RETURNS

THERMAL POWER PLANT, ALBERTA

Question No. 57—**Mr. Hansell:**

1. Has the government of Canada negotiated with any person, firm or corporation, during the past year for the installation of a thermal power plant at Blairmore, Alberta, or any other community in the Alberta section of the Crowsnest pass?
2. If so, with whom were negotiations carried on and with what results in each case?

PUBLIC SERVICE—WAGES AND SUPERANNUATION

Question No. 171—**Mr. Hansell:**

1. How many persons are employed by the dominion government in Canada: (a) on a temporary basis; (b) on a permanent basis, as at the latest date upon which statistics are available?
2. What was the total amount paid in salaries and wages as of that date?
3. How many civil servants are now in receipt of superannuation, and what is the total amount of superannuation paid during the last month for which the figures are available?

BRITISH COLUMBIA ROYAL COMMISSION

Question No. 195—**Mr. Christian:**

To what extent to date, since January 1, 1957, has the federal government assisted the royal commission investigating the problems of the fruit farmers of the Okanagan valley, British Columbia?

MONT TREMBLANT AND WASHINGTON CONFERENCES

Question No. 197—**Mr. Cameron:**

1. How many delegates of all countries attended the meeting of commonwealth finance ministers at Mont Tremblant earlier this year?
2. How many days was the conference in session?
3. What was the total cost to the government of Canada?
4. How many persons, in addition to the Minister of Finance, comprised the Canadian delegation to the conference in Washington on trade and economic problems earlier this year?
5. How many days did the conference last?
6. What was the total cost to the government of Canada?

CANADA BOND PURCHASE, 1957

Question No. 216—**Mr. Hansell:**

What amounts of Canada government bonds were purchased in 1957 by the Bank of Canada and each of the other dominion government crown companies, corporations, boards, commissions or departments?

PUBLIC SERVICE, REGINA

Question No. 227—**Mr. Ellis:**

1. How many employees of the federal government by departments were employed in the city of Regina as of June 1, 1957?

[Mr. MacDonald (Antigonish-Guysborough).]

2. How many employees of the federal government by departments were employed in the city of Regina as of November 1, 1957?
3. Is any action under way with respect to reduction in staff of any department or departments of the federal government in the city of Regina in the immediate future?

MOTIONS FOR PAPERS

NORTHERN ONTARIO PIPE LINE—EMPLOYMENT PREFERMENT

Motion No. 34—**Mr. Benidickson:**

For a copy of the clause or clauses in pipe line construction contracts of Northern Ontario Pipe Line Crown Corporation having reference to contractors' obligations relating to employment preferment for residents of Canada, hours of work, wage rates, and other working conditions for employees.

Motion agreed to.

HEALTH INSURANCE

Motion No. 37—**Mr. Haidasz:**

For a copy of all correspondence, telegrams, briefs and other documents exchanged during the last three months between the Minister of National Health and Welfare and representatives of (a) the Canadian medical association; (b) the association of Canadian medical colleges; (c) the Canadian hospital association; (d) the dominion council of health, with regard to health insurance.

Motion agreed to.

IMPORTS OF AUTOMOBILES AND TRUCKS

Motion No. 39—**Mr. Coldwell:**

For a return specifying the number of imported automobiles and trucks, together with their countries of origin, purchased by the government of Canada between (a) April 1, 1956 and June 21, 1957; (b) June 21, 1957 to November 1, 1957.

Motion agreed to.

CANADIAN NATIONAL STEAMSHIPS

REPORTED BOYCOTT BY INTERNATIONAL TRADE UNIONS

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): I would like to address a question to the hon. Minister of Transport. Has the minister's attention been drawn to a report in this morning's Montreal *Gazette* that the Canadian National (West Indies) Steamships may be boycotted by the international confederation of trade unions, a world-wide organization of 53 million members? If so, does the minister not now agree that the company should be encouraged to reopen negotiations with the seafarers' international union, thus avoiding complete cancellation of a West Indies-Canadian trade service?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I have noticed the article in this morning's press.

Mr. T. S. Barnett (Comox-Alberni): I have a question I would like to address to the Minister of Labour. Has the minister received a telegram from the secretary of the international confederation of free trade unions protesting the transfer of these ships from Canadian registry, and claiming that transfer to another country is for the obvious purpose of avoiding a negotiated settlement with the striking seamen? If so, would he acquaint the house of the nature of his reply to this telegram?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I have received a telegram from the people mentioned by the hon. member, but I cannot relate verbally, now, the nature of my reply; I should have to look in my files to see exactly what it was. However, Mr. Speaker, this has nothing to do with the Minister of Labour particularly. It is an action which has been taken by the Canadian National (West Indies) steamship company.

Mr. Byrne: A supplementary question. Does the minister not think this is a serious situation, when our trade with the West Indies is to be brought to a standstill?

Mr. Hees: I think it is obvious from what I have said that this is a serious matter, and that is why the steamship company took the action it did to try and preserve that trade.

Mr. Byrne: Mr. Speaker, was it only last year—

Some hon. Members: Order.

Mr. Speaker: Order. I am sorry; I have recognized the hon. member for New Westminster.

Mr. F. G. J. Hahn (New Westminster): Would the minister not now consider immediately convening the special committee on railways and shipping with power to call in witnesses from the seamen's international union, officials from both Canadian National (West Indies) Steamships Limited and the union, and such other witnesses it might see fit, as well as for documents and papers it might require for the purpose of examining into the circumstances resulting in the transfer of Canadian National (West Indies) Steamships, Limited, to Trinidad?

Mr. Hees: The management of the Canadian National (West Indies) Steamships advise me that they are engaged at the present time in a thorough examination into all the implications of the restoration of the service.

Mr. Barnett: May I ask a supplementary question for clarification. Did I understand the minister to say that after consulting his records he will bring down to the house tomorrow the substance of his answer?

Mr. Starr: That is what I intended to convey to the hon. member.

Mr. Byrne: A supplementary question to the Minister of Transport. Was it not only last year that the Minister of Transport himself said there should be no more transfers of Canadian bottoms to any foreign or commonwealth registry?

Mr. Hees: I do not think it was last year. I think it was two years ago that I spoke on this subject. At that time, I think, I expressed the view that if it was practical and possible—

Some hon. Members: Oh, no.

Mr. Hees: If hon. members will look at the record—and looking at the record is valuable—they will find that I said that to have ships sailing under Canadian registry is very desirable, if practicable.

(*Translation*):

PUBLIC BUILDINGS

SHAWINIGAN FALLS—PROPOSED NEW FEDERAL BUILDING

On the orders of the day:

Mr. J. A. Richard (St. Maurice-Lafleche): Mr. Speaker, I should like to address a question to the Minister of Public Works.

(*Text*):

May I direct a question to the Minister of Public Works. Is it the intention of the minister to commence construction at an early date of a public building at Shawinigan Falls, in which all federal services would be housed? An affirmative decision would contribute to the relief of unemployment, which increases alarmingly from day to day.

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I should like to thank the hon. member for having given me notice of this question. The answer is that in the estimates of the previous government for the year 1956-57 there was a vote of $525,000 for this building, but nothing was done. In the year 1957-58 there was a vote of $275,000, but as yet the plans have not been completed. It is expected that they will be finished by January 15, 1958, and once that has been done public tenders will be called, and we hope the work can be proceeded with late in March.

FINANCE

INQUIRY AS TO INTRODUCTION OF BUDGETARY PROPOSALS

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, may I direct a question to the

Minister of Finance. I wonder if the minister can tell this house the date on which he hopes to introduce the budgetary proposals and the reductions in taxation he promised T.V. audiences last night.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I do not think I made any promises to any T.V. audience last night, but when the appropriate time comes for making any announcement to the house I can assure the hon. member that the announcement will be made.

SUCCESSION DUTY ACT—INQUIRY AS TO AMENDMENTS

On the orders of the day:

Mr. E. G. Hansell (Macleod): Mr. Speaker, I should like to direct a question to the Minister of Finance. On October 31, in answer to a question I asked, he stated that amendments to the succession duty act were under active consideration. My question is, has this active consideration reached a point where action can be taken, and when can we expect amendments to be brought down?

Hon. Donald M. Fleming (Minister of Finance): The consideration of this matter is advancing, and I think my hon. friend will have the full answer to his inquiry very soon.

INQUIRY AS TO REDUCTION IN INTEREST RATES ON COMMERCIAL LOANS

On the orders of the day:

Mr. F. C. Stinson (York Centre): Mr. Speaker, I should like to direct a question to the Minister of Finance. What information has the government as to the prospect of a reduction in the interest rates charged by banks on commercial loans?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I am glad to be able to inform the house that one leading Canadian chartered bank has today announced that effective next Monday it will reduce the prime lending rate from 5¾ per cent to 5½ per cent, and it is expected that this move will be followed by the other chartered banks in due course. I am sure this further move toward easing money, credit and interest rates, will be widely welcomed.

Hon. George C. Marler (St. Antoine-Westmount): May I ask a supplementary question. Does the Minister of Finance take credit for this move by the chartered banks?

Mr. Fleming: The government will certainly claim the credit that is its due for a great many things it has done to seek to ease money, credit and interest rates, and is very gratified that its efforts in this regard have borne fruit.

[Mr. Sinclair.]

Mr. Marler: Mr. Speaker, may I ask a further question. Will the Minister of Finance take the occasion before too long to tell us just what the government has done in this field?

Mr. Sinclair: Make a television broadcast.

HEALTH INSURANCE

SUGGESTED DIRECT GRANTS TO REPLACE PRESENT METHOD

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the statement made this afternoon by the Prime Minister, however, perhaps the Prime Minister would be in a better position to answer it.

How many of the provinces have indicated that they want the proposed hospitalization plan set up so that the federal government makes a specific contribution to national health and the details and administration of the scheme will be left in the hands of provincial authorities?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, notice of intention to ask this question was handed to me after I entered the chamber this afternoon. I would say that if the hon. member means we should have no Hospital Insurance and Diagnostic Services Act, in other words that we should do away with Bill No. 320 and simply give grants to the provinces for those purposes, I know of no correspondence from any of the provinces to that effect.

Mr. Sinclair: Too good an act.

Mr. Monteith: I may be wrong. As I say, I have not had an opportunity to check my files, but if I have made an incorrect statement I will let the hon. member know.

Mr. Olson: A supplementary question, which perhaps will make my question more clear. How many provinces feel that the federal government is attaching too many strings to the bill?

LIVESTOCK

REQUEST FOR LEGISLATION PROVIDING HUMANE METHODS OF SLAUGHTER

On the orders of the day:

Mr. A. B. Macdonald (Vancouver-Kingsway): I should like to ask the Minister of Agriculture if he has under consideration legislation this session providing for the humane slaughter of farm animals?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, this question could more properly be directed to the Minister of Justice, who made a statement with regard to the matter some time ago here. We have not at the moment any particular legislation ready to bring in this session.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, perhaps I might supplement the answer given by the Minister of Agriculture by saying that ten days or two weeks ago we met with representatives of the committee which has been working in Ontario, and we did examine very fully the contents of their report and the results of their investigations. While we have not at the moment any legislation ready I wish to assure the hon. gentleman and the house that we are making continuing studies of the matter, because we recognize the great seriousness of the problem and the importance attached to it by so many of our people.

TELEVISION

DISCONTINUANCE OF "THE PLOUFFE FAMILY" PROGRAM

On the orders of the day:

Mr. Guy Rouleau (Dollard): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. Is the minister aware that in its current issue the Montreal weekly *Radio-Monde* carries under the signature of Andre Rufiange the widespread rumour that following criticism in this house by the hon. member for Beauce the popular T.V. program "The Plouffe Family" would be discontinued. Can the minister deny or confirm such a report?

Hon. G. C. Nowlan (Minister of National Revenue): Mr. Speaker, the hon. member was good enough to send me notice of his question before the house opened, and the answer to the first part is no; my attention had not been called to that article in *Radio-Monde,* nor had I been aware of the contents of the article from any other source whatever. The answer to the second part of the hon. member's question is also no, because the Canadian Broadcasting Corporation does not communicate with the minister with respect to programming in any of its aspects, and neither does the minister communicate with the C.B.C. or advise or instruct with regard to programming.

Mr. LaCroix: Mr. Speaker—

Mr. Rouleau: A supplementary question, Mr. Speaker.

Mr. Speaker: Order. If the hon. member for Quebec-Montmorency has a new question perhaps he would permit the hon. member for Dollard to ask a supplementary question.

Mr. Rouleau: Thank you, Mr. Speaker. I wish to direct a supplementary question to the Minister of Public Works. Can the minister tell the house whether the new house built by the Plouffe family has been built with funds recently provided under the National Housing Act for new housing?

FLAGS OF CANADA

INQUIRY AS TO STEPS TO PROVIDE NATIONAL FLAG

On the orders of the day:

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, I want to direct a question to the right hon. Prime Minister. In view of the declaration of the Minister of Public Works on November 15 in which he stated that the flag question is a very important one, my question is, is it true that the government has decided on the advisability of taking steps to give this country a truly Canadian flag and, as reported on November 13, 1945, at page 2138 of the House of Commons French debates—

Mr. Speaker: Order. I am sorry to stop the hon. member but it seems to me—

Some hon. Members: Sit down; Mr. Speaker is on his feet.

Mr. Speaker: If the hon. member will resume his seat I will tell him why I consider his remarks to be out of order. If he will consider the motion which he himself made in this house I think he will realize that this is dealing with a matter which he himself brought before the house, and therefore about which he should not inquire from the minister at this time.

EXTERNAL AFFAIRS

TERRITORIAL WATERS—REQUEST FOR STATEMENT OF CANADIAN POSITION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs, notice of which I sent him yesterday. Has the interdepartmental committee which we were informed last session was being set up reported to the government the position Canada should take on the legal position of the continental shelf and territorial waters in its representations to the international conference which the general assembly of the United Nations recommended should be held in March, 1958? If so, is it the minister's intention to make the government's views

known to the House of Commons, and will provision be made for a discussion on this all-important subject?

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for Vancouver East for sending me a copy of his question which I received—and I do not know what happened—only this morning.

Mr. Winch: It was sent on November 26.

Mr. Smith (Hastings-Frontenac): I will accept it as notice and reply at the earliest possible moment.

NATIONAL DEFENCE

U.S.-CANADA—JOINT AIR DEFENCE COMMAND

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. In view of his statement on Friday, which was the last day he was able to be in the house because of the federal-provincial conference, that Canadian troops should never be required to serve beyond the confines of Canada except with the consent and on the determination of parliament, can he say when parliament gave effect to its consent and determination regarding Air Marshal Slemon and the 40-odd R.C.A.F. personnel who are being required to serve at Colorado Springs? Would he also comment on the statement of the Minister of National Defence in August that R.C.A.F. personnel under orders from NORAD would ignore the international boundary if the exigencies of battle so required? When did parliament give its consent to such a course of action?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, my hon. friend has given me no notice of this question, and it involves many considerations. The suggestion that the appointment of Air Marshal Slemon to the position in question in any way violates the principle I enunciated is of course untenable, as I am sure the hon. member will conclude after reconsideration. Appointments such as that are regularly made and in no way vitiate or violate the principle I enunciated, that Canadian troops cannot be required to serve beyond Canada on the basis of the traditional discharge of parliamentary responsibility, and also the general realization on the part of leaders of all parties that such should be the fact. Certainly following 1930 there has been no suggestion that they should serve beyond Canada unless with the leave of parliament.

[Mr. Winch.]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, will the Prime Minister answer the rest of my question referring particularly to the 40 other R.C.A.F. personnel being required to serve at Colorado Springs; and would he also comment on the statement the Minister of National Defence made in August?

Mr. Diefenbaker: Mr. Speaker, I will have to peruse the statement, because I do not have it before me. If later I conclude that the matter in question requires elucidation at length I will do so. Otherwise after reading the question, which I will take as notice, I will answer it at a later date.

U.S. PLANES WITH LIVE BOMBS FLYING OVER CANADA

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): May I direct a question to the Minister of National Defence. In view of a reported statement made by the British foreign minister to the effect that United States bombers flying on routine flights over Britain carry live bombs in order to maintain a state of readiness at all times, can the minister state whether United States planes with such bombs are permitted to fly over Canada?

Hon. G. R. Pearkes (Minister of National Defence): By agreement with the United States, only with prior permission from Canada.

BRIDGES

ALASKA HIGHWAY—RECONSTRUCTION OF COMMUNICATIONS OVER PEACE RIVER

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 National Defence. Why has the federal government turned over the job of reconstructing the Peace river bridge to the highways department of the province of British Columbia instead of having the work done by the army engineers, who have done such a fine job in reconstructing and maintaining the Alaska highway during the last 10 years?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, I thank the hon. member for praising the work which has been done by the Royal Canadian Engineers in restoring traffic over the railway bridge. Regarding the first remark the hon. member made, to the effect that the work of repairing or restoring the Peace river bridge has been delegated to the provincial government, that is not correct. It is the intention of the Department of National Defence to

replace the bridge in approximately its present location at the earliest possible opportunity.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—INQUIRY AS TO PROGRESS OF DISCUSSIONS

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I should like to direct a question to the Prime Minister. I am sorry I did not give him notice earlier. Would the Prime Minister inform the house what progress, if any, he has to report from his discussion with Premier Douglas reportedly held earlier this day regarding the building of the South Saskatchewan river dam?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I am glad to have such widespread interest in that subject. As a matter of fact we negotiated this morning and discussed the matter, and my colleagues and myself will again meet to continue the discussion this afternoon. I would not want to give any interim report on negotiations even if it were proper to do so.

Mr. Tucker: A supplementary question, Mr. Speaker.

Mr. Hahn: On a question of privilege, Mr. Speaker, I would suggest to the Prime Minister that if he would speak into the microphone I would have been pleased to have heard his answer.

Mr. Diefenbaker: I am sorry.

Mr. W. A. Tucker (Rosthern): Mr. Speaker, I want to ask the Prime Minister, if I may, how soon after the six months from the time of his taking office he expects work to start on the South Saskatchewan dam. I think he is six days past that cut-off date now, and I would like to know how much longer it will be before it is started.

Mr. Diefenbaker: Mr. Speaker, if my hon. friend's question is as correct as his timing, six months from June 10, then of course no answer is really required. But I would point out to my hon. friend that I seem to remember that in 1948 the dam was to be proceeded with after the result of a by-election in Rosthern in which the hon. member was interested.

Mr. Tucker: I should like to ask a further supplementary question.

Mr. Speaker: If the further supplementary question is like the question, I doubt whether it will be accepted.

Mr. Tucker: Well, it is probably not truly a supplementary question; it is just to repeat the question I put to the Prime Minister. Will the Prime Minister now carry out his promise and start the dam within six months of assuming office?

Mr. Fleming: The Prime Minister carries out all his promises.

[*Later:*]

Mr. Hahn: I have a question which is supplementary to the one I raised earlier with the Prime Minister respecting the South Saskatchewan river dam. I just learned what he had to say. In view of the widespread interest in this project I would ask the Prime Minister whether he will give the house a report very shortly in respect of the progress being made in discussions in connection with this important project.

Mr. Diefenbaker: Yes, as soon as there is anything to report.

ADMINISTRATION OF JUSTICE

QUEBEC—REPORTED ESTABLISHMENT OF INTERMEDIATE COURT OF APPEALS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Minister of Justice a question. A recent issue of the Montreal *Star* carries a statement to the effect that there is to be established an intermediate court of appeals in Quebec province. The Montreal *Star* also states that it is dependent upon concurrent legislation passed at Ottawa. According to the *Star* this measure has already received first reading in the legislative assembly of that province. May I ask the minister whether he is aware of this legislation, and can he tell us to what extent its jurisdiction will extend; and has the federal government given any consideration to the introduction of this measure?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I read the papers, as does the hon. gentleman, and I am aware, as he is, of the reports that appear there. But I have no formal notification of the action, if any, which has been taken or is to be taken by the Quebec legislature, and I am therefore unable to give him any fuller reply.

AGRICULTURE

CHEESE—REQUEST FOR INCREASE IN SUPPORT PRICE

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. Has the minister received a resolution from the county presidents

of the Ontario cheese producers association asking that the government guarantee and support cheese prices at 34 cents a pound?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I have received a resolution, or perhaps it would be more correct to say two related resolutions, from the county presidents of the Ontario cheese producers marketing association. These resolutions, however, did not ask that the government guarantee and support cheese prices at 34 cents. What they requested was that the dominion government provide bank guarantees which would enable the cheese producers board to continue the operations they have been carrying on for some time in regard to the marketing of cheese.

POST OFFICE DEPARTMENT

VANCOUVER—USE OF TUNNEL FROM C.P.R. STATION TO POST OFFICE

On the orders of the day:

Mr. T. J. Irwin (Burnaby-Richmond): Mr. Speaker, I should like to direct a question to the Postmaster General of which I have given notice. Has the tunnel from the C.P.R. station in Vancouver to the new post office been completed? If so, what was the final cost? Will it be used for any purpose other than of taking mail from the C.P.R. station to the post office?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, while I am most anxious to supply all possible information to hon. members about my department, I also desire to observe the rules of the house, and it seems to me—

Some hon. Members: Oh, oh.

Mr. Hamilton (Notre Dame de Grace): Perhaps I observe the rules of the house somewhat better than the hon. members of the opposition are observing them at the moment. It seems to me, Mr. Speaker, that questions regarding the purposes and cost of a tunnel which is designed to exist for something more than half a century are hardly of the urgent nature that is stipulated as one requirement for questions on the orders of the day. I think perhaps this was the specific question that Mr. Speaker Glen had in mind in 1940 when he said:

> But I would call hon. members' attention to the well known Canadian practice which states "a question which could be inserted on the order paper is not allowed on the orders of the day being called". That rule has been departed from during this session but if it were observed more strictly, many of the oral questions would be unnecessary.

Mr. Speaker: I took it that the minister was rising on a point of order. Does anyone wish to say anything on the point of order?

[Mr. Lavigne.]

Mr. Dupuis: Just one word; I checked up how many questions the hon. gentleman asked during the last session.

[*Later:*]

Mr. Irwin: Mr. Speaker, on a question of privilege, I directed a question a moment or two ago to the Postmaster General and he raised a point of order. Does the Postmaster General think for a moment that I dug this question out of my imagination? I think I have seven letters asking this question of the Postmaster General.

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, I attempted to make plain in my response that we desire to give this information to the hon. member but that this was a question which, according to the rules of the house, should be placed on the order paper and not asked at this time.

Mr. Martin (Essex East): Who is the Speaker?

Mr. Hamilton (Notre Dame de Grace): It should not be asked here and I might add, in any event, that the question should have been directed to the Minister of Public Works, under whose direction this matter comes.

Mr. Robichaud: May I ask a supplementary question.

Mr. Speaker: There is no question before the house. The hon. member for Burnaby-Richmond raised a question of privilege, which was that he had not received an answer to his former question. That is scarcely a question of privilege because, as I have explained before, hon. members are not entitled to insist upon answers. They are entitled to ask questions, and in the appropriate place they are entitled to comment on the answers they receive; but they are not entitled to press to receive an answer if an answer is not given.

HOUSING

N.H.A.—REQUEST FOR LOWER INTEREST RATES

On the orders of the day:

Mr. A. B. Macdonald (Vancouver-Kingsway): I should like to direct a question to the Minister of Finance or the Minister of Public Works. I should like to ask whether he will take action at once to reduce the interest rate charged under the National Housing Act.

Hon. Howard C. Green (Minister of Public Works): No; there is no intention of reducing the interest rate.

LABOUR CONDITIONS

YUKON AND NORTHWEST TERRITORIES—UNEMPLOYMENT SITUATION

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): I should like to direct a question to the Minister of Labour. Is the minister aware of the serious unemployment situation in the Yukon and the Northwest Territories? If so, what action is the government contemplating to alleviate this serious problem?

Hon. Michael Starr (Minister of Labour): In answer to the hon. member's question, may I say that the same principle applies to the Yukon and the Northwest Territories as to the rest of Canada. We have taken and are taking action almost daily to alleviate the problem of unemployment in all parts of Canada.

Mr. Sinclair: There is double the unemployment there was last year.

POWER

NOVA SCOTIA-NEW BRUNSWICK—STATUS OF AGREEMENT ON DEVELOPMENT

On the orders of the day:

Mr. A. J. MacEachen (Inverness-Richmond): May I direct a question to the Minister of Northern Affairs and National Resources. I wonder if the minister can tell us whether an agreement has been reached between the federal government and the provinces of Nova Scotia and New Brunswick on the details of the power development or, alternatively, when such agreement is expected to be signed.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): The officials of the provinces of New Brunswick and Nova Scotia and the officials of the federal government are still working on the details of this agreement. When it will be announced I really cannot say. I know they have been quite busy. I have not had a report from them for two or three days.

BUSINESS OF THE HOUSE

REQUEST FOR ANSWERS TO QUESTIONS ON ORDER PAPER

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): May I direct a question to the Postmaster General. In view of the point of order raised by the minister, will he inform the house when I may expect a reply to the questions I placed on the order paper on November 7, 20 days ago, concerning his department?

Hon. W. M. Hamilton (Postmaster General): Just as rapidly as possible, Mr. Speaker. We do everything possible to accommodate the hon. member.

GRAIN

REPORTED REFUSAL OF ADVANCES BECAUSE OF LEASED ACREAGE

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): I should like to direct a question to the Minister of Trade and Commerce. However, in his absence I have redirected my question to the deputy minister or to the acting minister of the department. Has it been brought to the minister's attention that farmers are being refused cash advances on their specified acreage merely because they have additional acreage under lease?

Hon. J. M. Macdonnell (Acting Minister of Trade and Commerce): I received notice of this question just a few moments before coming into the house, and I have not yet had time to inform myself. I shall have to ask the hon. member to let me take it as notice.

TRADE

MISSION TO UNITED KINGDOM—ALUMINUM PURCHASES

On the orders of the day:

Mr. W. J. Henderson (Kingston): May I direct a question to the Acting Minister of Trade and Commerce with respect to the Canadian buying mission sponsored by the government of Canada, which mission is now in Britain. Is it true that members of the mission may make arrangements to buy aluminum products in Britain to import into Canada?

Hon. J. M. Macdonnell (Acting Minister of Trade and Commerce): I would have thought the hon. member is about as capable of answering that question himself as I am. I suggest that if he wishes to ask the question, of which I have received no notice, I will take it as notice and give him whatever answer I can.

UNEMPLOYMENT INSURANCE ACT

AMENDMENTS RESPECTING SEASONAL BENEFIT PERIODS, PAYMENTS, ETC.

Hon. Michael Starr (Minister of Labour) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Unemployment Insurance Act to increase the length of seasonal benefit periods; to increase

the number of benefit payments for which claimants may qualify during those periods; and to provide for other related matters.

Motion agreed to and the house went into committee, Mr. Courtemanche in the chair.

Mr. Starr: Mr. Chairman, I wish at the outset to thank the other parties in this house for their kind consent to allow me to proceed with the bill immediately following the debate on the resolution. I hope I will experience the wholehearted co-operation of hon. members in facilitating the passage of this bill. It must go through the Senate, pass the other house and receive royal assent. I am concerned that those who will be eligible for seasonal benefits under this new amendment will not be delayed in receiving those benefits.

During the past few weeks several hon. members have asked whether or not this government intends to amend the Unemployment Insurance Act this session. I think these questions were a reflection of the concern we all feel about the present situation with regard to employment.

Before explaining this bill, which proposes to amend the seasonal benefit provisions of the act, I should like to describe the present situation in what I believe to be its true perspective. You will recall, Mr. Chairman, that the last period during which the state of employment gave rise to serious misgiving was the winter of 1954-55.

I should like you to look at the figures for two of the months that led up to that time, and compare them with the same two months in this year. We find that in August, 1954, those without jobs and seeking work comprised 3.1 per cent of the labour force. In August, 1957, those without jobs and seeking work comprised only 2.8 per cent of the labour force. In September, 1954, those without jobs and seeking work again amounted to 3.1 per cent of the labour force, while in September, 1957, those without jobs and seeking work were 3.2 per cent of the labour force. We come to October and we find that in 1954 those without jobs and seeking work were 3.3 per cent of the labour force, while in 1957 those without jobs and seeking work were 3.5 per cent of the labour force.

I think, Mr. Chairman, it is also important to note that the number of persons gainfully employed in this country increased by almost half a million between October, 1954 and October 1957, while the number without work increased by only about 28,000 in that same period. In view of these figures, Mr. Chairman, and without attempting to minimize our problems, I think it is fair to say that we have already come through situations that were potentially as difficult as is the present one. Furthermore, a favourable factor now is that this government has no intention of sitting back and letting matters run their course.

Earlier in this session I noted that by curtailing the influx of immigrants for the balance of the year, by channelling $150 million into our economy for the construction of houses, by accenting the job finding activities of our national employment service, and by stepping up our winter employment campaign activities, we indicated our preoccupation with this problem. We are proposing now to amend the Unemployment Insurance Act to increase the amount of benefit available to insured persons who are unemployed during the winter season when employment is most difficult to obtain. We estimate that the changes we propose would result in close to an additional $13 million of purchasing power being paid out to those who need it most and who can spend it to the best advantage.

At present the act provides that seasonal benefits may be paid for the period from the week in which January 1 falls to the week in which April 15 falls; that is, for sixteen weeks. However, even before January 1 there are substantial numbers of persons unemployed and unable to qualify for regular benefits, and also many are still unemployed when the present seasonal benefit period ends on April 15. The intent of this bill is to lengthen the seasonal benefit period by one month at each end, so that it will run from December 1 until May 15, that is for a period of 24 weeks. The effect that this lengthening of the seasonal benefit period will have can, perhaps, be best explained by reference to several basic examples.

First of all, there are two ways in which claimants may qualify for seasonal benefits. The first applies to those who do not have enough contributions to qualify for regular benefit but who, nevertheless, have 15 contribution weeks since the end of the previous March. The second applies to those who have had a regular claim terminate since the previous May 15, even though they may not have made a single contribution in that time. Under the present act those qualifying in the first group have a minimum duration of 10 weeks and a maximum of 16 weeks. The proposed revision will give a minimum of 13 weeks and a maximum of 24 weeks.

In regard to those qualifying in the second group, Mr. Chairman, the duration of benefit under the present act is the same as that authorized on the last regular claim with a minimum of 12 weeks and an automatic maximum of 16 weeks because of the end of the

seasonal benefit period. Our proposed revision will leave the minimum unchanged but does, of course, increase the maximum duration to 24 weeks; that is, a 50 per cent increase.

The effective date of this proposed legislation is December 1, and by that I mean that this bill will apply to all claims made in respect of the forthcoming seasonal benefit period. There is a minor exception to this and that would be those in the second group, those who had a regular claim expire since April 15, 1957, who will be able to qualify for seasonal benefit this winter on that basis. In future years, the requirement will be that they must have had a regular claim expire since the previous May 15.

Another point is that the privilege a seasonal benefit claimant now has of serving his waiting period during December will not be extended. In other words, he will now be treated as an ordinary claimant and will have to serve his waiting period at the beginning of his seasonal benefit period. This will not, however, put claimants in any less favourable a position since the date at which they can begin to be paid is advanced by three weeks and the maximum period of entitlement is being substantially increased.

We estimate that a large number of Canadian workers will benefit from the provisions of this amendment. Last winter, some 214,000 persons established seasonal benefit claims. This year since our proposed legislation will increase the period by two months, we might expect that the number who qualify will be somewhat higher. It would seem safe to say that some 250,000 workers will benefit to the extent, as I noted earlier, of some $13 million.

Mr. Martin (Essex East): Will the minister repeat that? Did he say 250,000 benefited last year?

Mr. Starr: No, 214,000 established seasonal benefit claims last winter. I think it would be safe to say at this time that some 250,000 workers will be benefiting to the extent of some $13 million.

Mr. Sinclair: Is that 250,000 more or 250,000 all told?

Mr. Starr: About 36,000 more. I should like also to bring out the point that this amendment, as well as the revocation of the married women's regulation announced the other day, is bound to result in an increase in the number of persons registered for employment with national employment offices across the country. Therefore, when hon. members ask about national registrations they are bound to see that they are higher after these provisions go into effect in Canada. There will be more people registered and also they may be registered for a longer period of time. However, there should be little or no impact on the monthly dominion bureau of statistics "Without jobs and seeking work" survey, and this survey will continue to be the official estimate of the number of unemployed in this country.

Under the new fishermen's regulations which come into effect on January 1, fishermen will come under the provisions of the Unemployment Insurance Act and as a result will be eligible for seasonal benefits which are being extended in the resolution presently under discussion. Under these new regulations fishermen will now be entitled to receive unemployment insurance payments after only 15 weekly contributions. Provision is also being made in the amendment to seasonal benefit regulations for benefits to be awarded to certain classes of claimants who have exhausted their regular benefits. A number of fishermen could conceivably come under this provision.

That is all I have to say at this moment, Mr. Chairman, in explanation of this resolution and the bill which will follow, but I would ask hon. members to facilitate the passing of this amendment as quickly as possible. I would be very glad to answer any questions that might be asked, providing I know the answers. I do not, of course, profess to know the Unemployment Insurance Act thoroughly, but will endeavour to obtain the answers as soon as possible.

Mr. Sinclair: Did the hon. minister say that the date for fishermen would be the same as for the others, December 1 to May 15?

Mr. Starr: They were to start from December 1 and will, under this amendment, begin at the same time as the seasonal benefits begin which will be December 1, with one week waiting period.

Mr. Sinclair: Thank you.

Mr. Byrne: Mr. Chairman, first of all I want to clear up any misunderstandings which might be prevalent in this house as a result of the suggestion of the hon. house leader that there had been an arrangement with the three opposition parties to have this bill cleared through the commons in the one day. I am sure it would not be possible to make such an undertaking but it was tentatively agreed that should the bill get past the resolution stage we would not require the hon. minister to take a second day in which to introduce the bill, the hon.

minister, having been kind enough to provide a draft bill to some of the opposition members earlier.

The hon. house leader did say last night at the close of the sitting:

> We are never quite sure how long the other place will take to debate any of these measures as they are quite jealous of their rights.

Well of course members of the commons are equally jealous of their rights, as has been demonstrated on many occasions by members of the present government, so that we want it clearly understood that should this measure reach the second stage today we will be happy to go along with it. However, we do not wish the debate to be curtailed in any way.

The Minister of Labour in his opening remarks has gone to some length in attempting to minimize the unemployment situation today, in quoting the percentage of unemployment in relation to the labour force back in 1954. Now for that and other reasons I feel we should be entitled to quite adequate consideration of the unemployment situation as it exists. The fact that we now have a fall season for six months of the year is an indication that there is a very serious unemployment problem.

We have an old saying where I come from, high in the mountains where they do get frost almost every month of the year, as follows:

> Of course we have only two seasons, the first of July and winter.

Now I do not think we want to have it generally understood with respect to all of Canada that we have summer for six months and the frozen winter for the other six months, so we must realize that this is an emergency measure which has been brought forward, the government having fully realized such an emergency situation, despite the remarks of the Minister of Finance last evening and on television during his press conference and his other remarks of less recent date in Toronto, when he was endeavouring to prove that there is today no serious unemployment situation.

I just want for a few moments to point out what is in fact the situation across Canada today. In British Columbia the lumber industry has fallen off about 30 per cent, which means at the present time we have close to, if not more than, 30,000 unemployed in that industry alone. The base metal industry is certainly in the doldrums and many are being laid off from day to day. There is a disconcerting sign in my own riding. In the hungry thirties gold mining was a profitable undertaking and I now find that in the old Wild Horse creek area, where people were making a living during the early thirties, we now have a resurrection of the gold mining industry. They are erecting sluices and so on. Now while I welcome a new industry, I hope this is not a forecast for the future in the mining industry. We want to see gold doing well but we hope it does not mean that we are entering a time of depression when the gold industry indeed does flourish.

In Kitimat we have had some 1700 people laid off. These are the figures that occur to me at the moment but we know from day to day many people are being laid off. In Alberta, the oil industry is in a serious state of depression and much of that condition, I think, is due to the policies of the present government in stifling the gas and oil industry and related industries.

In other prairie provinces there is widespread unemployment. In respect to Ontario, in September there were some 27,000 unemployed in Toronto alone. And just the other day there were 2,400 laid off by the Ford Motor Company. These are large blocks but there are many smaller groups being laid off daily.

There are rapid cut-backs in the province of Quebec and in the maritimes, we have 35,000 unemployed and the labour force in relation to the rest of the country is very small. Yet, the Secretary of State, speaking at a Conservative rally the other day said that since the Conservatives came in they have created many jobs.

I am afraid the largest number of jobs they have created are in the unemployment insurance commission offices. I have clippings here—up to 20 of them—from various newspapers containing statements of responsible people about the serious situation which has evolved this fall.

An hon. Member: There were a lot of statements made on June 10.

Mr. Byrne: There was a question raised today in the House of Commons with respect to trade in the West Indies. That trade has been cut off for a period of almost six months now and no real effort has been made to settle the Canadian National steamship's strike and if something is not done soon there will be no revival of that trade.

That means a lot of unemployment, and certainly the fact that the sailors themselves are going to be out of jobs will cause another 250 to be unemployed.

One source says there will be up to 750,000 unemployed this winter. These forecasts must be made on the basis of some statistics which

support the contention. What is the government doing to alleviate this situation? They are releasing more money, it is true, for home building in the middle of winter when it is unlikely more homes will be started, but the fact that we are releasing more money to enable labourers to build homes costing between $12,000 and $16,000 is not going to put a great deal of steam into the building program. Something more will have to be done, because the very high cost of homes at the present time is beyond the capacity of ordinary workmen to build if there is to be any hope of paying for them.

When the present government was in opposition they had many remedies to recommend with regard to housing. The Minister of Public Works was asked only today whether the government intended to lower the interest rate in conformity with the action being taken by the chartered banks. When the present government was in opposition they made many requests that the interest rates should be reduced, and the down payment reduced to 5 per cent or even less. We welcome what has been done with regard to releasing more money, but let us go further and come to grips with the situation.

Unemployment is due to the fact that we now have a surplus of goods. The shelves, apparently, are loaded. In this situation the government sent out purchasing agents. They sent 50 people to the United Kingdom to purchase more goods and piled those shelves even higher. We certainly want to do everything to increase trade with Great Britain, but it seems to me that when we are already selling more to Britain than we are purchasing the salesmen should be coming from the other side, attempting to show the people of Canada the articles which they believe are able to compete in our markets. The government's action looks to me, personally, as being salesmanship in reverse. We have stocks on the farms and in the factories but we have to go out and look for more stocks for the farms and the factories. It may be all well and good, but it occurs to me, as an individual, that we are attempting to carry election promises a litle further than is possible—putting on a bit of a show. While we hope this has the desired effect with respect to trade I personally doubt it will do as much as we have been led to believe it will.

There are large numbers of unemployed in southern Ontario even in the electrical industry, yet we have been told that an order has been placed already for $10 million worth of electrical equipment, generators and so on. That is all well and good. We certainly realize that if we are going to sell to Britain we must also buy from her, but this is a time of serious unemployment in Canada while in Great Britain, though I read British newspapers quite persistently, I have yet to read any reports of any mass unemployment, or, for that matter, of any serious unemployment there.

It has been drawn to my attention—and this, Mr. Chairman, is not an important matter—that while in the United Kingdom this trade commission will be steered very carefully away from southern Ireland. They will make a quick trip to Northern Ireland, but they are going to keep carefully away from southern Ireland. A report I have here, written by Harold Morrison for the Canadian Press and published in one of the maritime papers says:

> The members will be taken aboard a special train to visit all parts of England, Scotland and Wales. There will even be a one day trip to Belfast in Northern Ireland, though there will be a careful skirting of the Irish Republic of Eire. No trips are planned there.

Well, as an Irishman, I suggest that they should—

An hon. Member: Take a jaunt to Dublin?

Mr. Byrne: —take that special train on a little trip to southern Ireland just for the purpose of seeing what a beautiful country it is there. In addition, surely we want to be prepared to sell a few things, and while this commission is doing its work they might find that there is quite an extensive market in southern Ireland.

The minister has explained the bill. We certainly welcome the amendment. As I have said before, it does show that the government appreciates the fact that there is a serious unemployment situation in Canada, and that they are taking some steps to assist those who will be unemployed for a long period. The fact that it will be possible for those who are unemployed during the Christmas season to begin receiving their benefits during the first week in December is indeed helpful. I note that the provision extends to the middle of May, in which month, in some areas, there are some signs of spring, though this year, regrettably, there is every indication that there will still be a large number of people unemployed at that date.

The minister has not indicated whether the government is prepared to replenish this emergency fund if necessary from the consolidated revenue fund. I think, personally, in view of the fact that this is an emergency and the government has indicated that it is now prepared to grant greater assistance to the provinces by eradicating the so-called threshold section of the assistance act, that they should not expect to retrieve these

moneys from the unemployment insurance fund which, of course, is accumulated from the contributions of the employers, the employees and the government.

I think that is all I have to say. We welcome the legislation and more particularly we welcome the fact that the government is realizing that there is a most serious situation and is now prepared to face up to it and not delude the public any longer.

Mr. Barnett: Mr. Chairman, I wish first of all to thank the Minister of Labour for his rather straightforward and informative introduction to the proposals the government has in mind. I believe the information he has given as we enter the discussion at the resolution stage is such that we can intelligently discuss this proposal and it may very well have the result of requiring less extended discussion when we come to the second reading stage of the bill. I do feel, however, that at the resolution stage it is important for us to consider some aspects of the situation out of which this proposal comes and see it in its proper perspective.

The Minister of Finance apparently has been declaiming with great vigour on television and other places that we have no emergency unemployment situation. On the other hand I note that various spokesmen for the Liberal party, including the speaker who just took his seat, have been declaiming also with great vigour that the unemployment picture is very black and that we do have an emergency situation in terms of unemployment. Percentage statistics of the present total working force as compared with those without jobs and seeking work have been bandied back and forth. I want to say that at the present time at least I do not intend to engage in that particular discussion pro or con because I believe I can fairly say that we in the C.C.F. group have always maintained that an emergency exists if any one citizen in this country is unemployed and that the total of figures is simply multiplication of individual emergencies which should be dealt with and should be the concern of the members of this house.

There is without question, as the hon. member for Kootenay East suggested, more unemployment in the province of British Columbia this year than there was last year and when one finds those figures broken down to areas with which one is personally familiar and realizes that many of the people whom one knows personally are at this time finding a problem in seeking employment then of course it strikes home very directly.

I just noticed a little news dispatch which comes from the national employment service office of the commission in the area of the constituency where I make my home which points out that at the date of this dispatch there were 1,450 persons unemployed in the area as compared with 456 unemployed at the same time the year before. I would certainly suggest that this proposal which the Minister of Labour is now bringing forward is the very least that we should have expected from the government in the light of the current situation.

We cannot help but be reminded, particularly in view of the fact that the minister himself made reference to the situation that prevailed in the winter of 1954-55, that there is some similarity between the approach the present government is taking and the approach taken by the government of that day in the face of growing unemployment. Some of us recall that chapter one of the statutes of the 1955 session, which was assented to early in January 1955, was an act to amend the Unemployment Insurance Act for the purpose of bringing the seasonal or supplementary benefits as they were then called to the level of the regular benefit payments.

In its essence the present proposal is another emergency rush-job tampering with the Unemployment Insurance Act. Certainly this action will be welcomed by the persons who will be able to draw additional benefits as a result of it. However, I think it is important at this stage when we are being asked to rush this legislation through that we should realize that this is in a sense a tampering with the act, that the approach we are being asked to make in dealing with this question of the extension of seasonal benefits is not really the kind of approach which should be made to the matter of amending the Unemployment Insurance Act; that it is something to which hon. members of this house should be able to give careful and detailed consideration in the industrial relations committee.

The question as to whether or not this particular proposal is the most desirable one which the government could bring forward at this time is one that requires careful examination. I do not propose to attempt to do that at any great length this afternoon but I think I might make reference to the most recent proposals for the amendment of the act brought in by the Canadian Labour Congress in their memorandum to the government on October 21, 1957. On page 14 of their printed memorandum they suggest the extension of the seasonal benefit period to include the month of December. I take it that the government is perhaps going a little beyond that particular proposal in the measure it is bringing in; but I would like to draw the attention of the committee to the

recommendation concerning the amending of the act which is made on the previous page, page 13 of the memorandum in which the Canadian Labour Congress has this to say:

> We remain concerned about section 45. Despite its amendment, the conditions affecting eligibility for benefit remain onerous. Many claimants genuinely in the labour market are unable to establish a claim and there is good reason to fear that the approaching seasonal unemployment will swell the numbers of unemployed workers who will be deprived of benefit because of this section. We believe that this matter is sufficiently urgent for immediate action.

As I understand it the proposal which the Minister of Labour is bringing before the committee at this time does not deal in any way with a change in the conditions affecting the question of eligibility for benefit. Section 45 of the Unemployment Insurance Act is of course the section which sets out the basic requirements for regular benefits but the terms of eligibilty in respect of those desiring seasonal benefits who have not had previous claims, as I understand it, will remain at 15 weekly contributions prior to the making of an application.

The minister will recall that yesterday my colleague the hon. member for Skeena raised a problem which some of the fishermen on the British Columbia coast are having because of the 15-week requirement in respect of their eligibility for unemployment insurance this coming winter, pointing out that one of the reasons they have not been able to have the 15 weeks of unemployment was because of closure regulations introduced by the federal Department of Fisheries and the international Pacific salmon commission which operates under authority granted by this parliament.

Situations such as these, which have been brought to the attention of hon. members, do lend weight to the contention of the Canadian Labour Congress that the onerous conditions of eligibility are something about which we must continue to have great concern. I well recall, and perhaps the present minister may recall, that when the Unemployment Insurance Act was being revised in 1955, the then member for Cape Breton South and the other C.C.F. members of the industrial relations committee emphasized very strongly the fact that we could not consider our unemployment insurance system to be complete until it was such that all Canadian workers who became unemployed through no fault of their own were eligible to draw benefits under the act. As I phrased it myself at that time, if they had paid one contribution or one premium into the insurance fund. However, we are still a long way from that, and this proposed amendment will not really deal with that aspect of the situation, although it will mean, of course, as the minister says, that several million dollars more will be paid out in benefits.

This, of course, does raise some question in my mind as to where the benefits are to come from, because many of us who have followed the situation in respect of the unemployment insurance fund necessarily must have some concern about the balance in the fund and the income and outgo with respect to it. In my discussions of or reporting upon unemployment insurance matters to groups of workers in my area I have emphasized the fact that the unemployment insurance fund is something which rightly has to be regarded as a trust fund belonging to the working people of Canada. I have emphasized that it is not in the ordinary sense of the term part of the finances of the government of Canada but that it is a trust fund set up to be administered by a commission in the interests of the working people of Canada and therefore any payments made from it must be made under the terms of that trust and with an understanding that that is the situation that exists.

The last annual report of the unemployment insurance commission for the year ended March 31, 1957, does give us a report, as we would expect, upon the state of the fund. On page 32 there is a graph which shows that over the period from 1953 to March 31, 1957, the balance in the fund amounted to something over $800 million and that it has risen once or twice to a figure approaching $900 million. It also shows that there was quite a drop in the winter of heavy seasonal unemployment, the winter of 1954-55, to which the minister referred in his remarks.

The report contains another table which shows the total annual revenue and expenditure from the fund. It shows that in the winter of 1954-55, or during that fiscal year, something over $40 million more was paid out of the fund than was paid into it and that in the subsequent years of 1955-56 and 1956-57, while the income of the fund was somewhat greater than the outgo, that was as a result of the investment of the funds and the income from the investment. The report shows that if it were not for the investment income, the fund, on the basis of the direct contributions made by employees, employers and the government, would have been going into the red in each of the last two fiscal years which generally have been regarded as periods of relatively low unemployment. Therefore, when a proposal is brought in at this time, and when there are signs that do point to a much higher level of unemployment during this particular season than we have had during the last year or two, this is something which

should be considered by this house when we deal with a proposal to increase the benefits.

The minister suggested, I believe, that according to his estimate—which I assume can only be an estimate—this proposal would result in additional payments of some $13 million. I take it this amount will be in addition to the $30-odd million which it was estimated was paid out in seasonal benefits during the last fiscal year. Therefore, I think we have to face the fact, and ask the question, as to how these additional benefits are to be financed. There are no references in the resolution as to any change in respect of the manner in which the moneys are to go into the fund, or in respect of the source or the amount. That being so, unless something is done, I think we shall have to recognize it is highly probable that the fund will be depleted as a result of payments made out of it during the coming season. In addition, when the fund is depleted the income from the investments will decline. In effect, there will be a bit of a spiral of decreasing income created.

Therefore, I would suggest that the government should be prepared to state its intentions in this respect. I would agree that the $800 million to $900 million in the fund, which has sometimes been called a cushion, makes it quite possible financially, without serious risk to the fund, for us to agree to this amendment to increase benefits at this time. But I do believe that the government should be prepared to tell the house what its intentions are in respect of amendments to the act or otherwise so that the security of the fund will be maintained.

I myself am inclined to think that this might be the appropriate time to consider whether or not some fresh approaches to the question could not be taken, because this situation of seasonal unemployment, and unemployment which really is not seasonal in its nature, arises out of the actions to a large degree of some of the large corporate interests in this country.

The hon. member for Kootenay East mentioned the lay-off of 2,400 men down in the Windsor area in the automobile industry. He mentioned the lay-off at Kitimat in the province of British Columbia of some 1,700 workers. I would suggest that that particular lay-off in Kitimat is one of the most flagrant examples of the complete irresponsibility of the large corporate interests in this country that we have had in quite a while, and that if corporations like the aluminum corporation in Canada are going to create unemployment like that, just at the flick of the wrist because of some particular managerial whim, then the time has come when they will have to be assessed for their responsibility in creating the unemployment situation. All too long the working people of this country have put up with the complete heartlessness and ruthlessness of large employing interests who shove men out in the middle of the winter without homes or places or jobs to which to go, without any thought of what their responsibility is not only to those people as individuals but to this country as a nation.

The basis of contribution into the unemployment insurance fund rests on a principle that has application in a number of fields, namely on equal contributions from employees and employers with a smaller contribution in this particular case from the consolidated revenue fund of Canada. When we see that so much of this current unemployment is being created by actions such as the one I have described at Kitimat, then the question is raised as to whether that principle of contribution into this fund should be maintained in the future or whether perhaps the time has not come when there should be written into this act some form of penalty levy on employers who act in that irresponsible fashion.

I think perhaps an example of that approach is to be found in the workmen's compensation legislation across this country wherein is embodied the principle that employers are assessed an amount sufficient to cover payments required because of the accident rate within their particular industry. Perhaps the time has come when we might consider some such approach as that in respect of contributions to the unemployment insurance fund, namely some penalties for those employers who will take on a large block of the Canadian working force and then, without any regard to the over-all national picture, suddenly dump them on to the employment market, as it is called.

That proposal is naturally something which would require some careful study. I think it would have to be devised in such a way that there was some flexibility in respect of the normal rise and fall of employment levels in certain industries. However, I think it is particularly applicable in a case such as the one I have mentioned in Kitimat in respect of a construction program. Either under the Unemployment Insurance Act or under some other form of legislative guarantee to be required by the federal Department of Labour, if an employer undertakes to start a project which requires the employing of, for instance, 1,000, 2,000, 3,000 or 5,000 workers, I think perhaps they should be required, when they undertake that project to give some reasonable guarantee of the continuity of that

employment for a certain specified period or some guarantee of sufficient notice of their intention to lay these people off.

From time to time we have had in the house considerable discussion about the question of a shelf of public works. I think someone asked the Minister of Public Works not long ago some question as to whether the present government has a shelf. I would suggest that if we are going to have in this country a shelf of needed public works which may be undertaken, any government, no matter what their political complexion might be, should require that they be given some advance notice by these large employers as to when there is going to be a period when such a shelf would be required. It is obvious that if from time to time we are going to undertake various public developments geared to the fluctuations of industrial activity, those things cannot suddenly be put into high gear overnight and that a certain planning period is required. I think that an approach along this line could have quite beneficial results in respect of the number of people who are going to be making applications for benefits under the act and in respect of ensuring that the level of the fund would be protected when employers took action that dumped large numbers of people into the list of the unemployed.

I think I have made it clear that I am not suggesting that I feel this is a question that must be settled before this legislation is passed. However, as I said earlier, I think this question as to what is going to happen to the fund as a result of the increased drain on it is one which the government should be prepared to answer; and I believe that the government should be prepared to give us some indication as to what are their intentions. Unless they do that, while we will naturally be glad of a move which will alleviate the distress and the worry in the minds of a good many of the workers of Canada at this particular juncture, nevertheless there will be some good cause for worry in our minds as to what the future of the unemployment insurance plan in Canada is going to be.

Mr. Hahn: Mr. Chairman, I am pleased that the government apparently have at long last realized that there is a serious unemployment situation in this country and have found it desirable in this instance to bring in remedial legislation. The fact that the Minister of Labour earlier in this session indicated that he had no intention of doing so, that there was not time in which to do it, caused a great number of us in this group a great deal of concern for we realized that there definitely was an unfortunate situation wherein many individuals were going to be in need of financial assistance and were going to have it denied them unless some changes in the act were brought about.

I should like to compliment the Minister of Labour on his straightforward statement in bringing in this particular legislation. He showed that he has considerable interest in the welfare of the workers and I am sure he feels that this particular piece of legislation will do the job it is intended to do, although I am somewhat dubious on one or two points.

I should like to thank him for giving this group a draft copy of this legislation. I think that is a procedure which might well be followed by other departments, so that we would have a draft copy of a bill before we reach the second reading stage. We could then refer to the legislation and might have something more concrete to offer for consideration.

The hon. member who has just resumed his seat mentioned a very serious unemployment problem in my own province in connection with Kitimat. He suggested that there was a flagrant show of irresponsibility upon the part of management in this particular case. I listened to him closely because I wondered whether or not he was going to suggest the federal government or the government of British Columbia should take over the Kitimat project. Then, I wondered whether, if such were the case, he would expect either of these governments to keep these plants open for an indefinite time.

I think we in this house too often find ourselves—

Mr. Barnett: Would the hon. member permit me to point out that I was referring only to a construction program which had been undertaken by that firm and suddenly cancelled.

Mr. Hahn: That may be true; in this instance, I shall accept the hon. member's explanation. However, those of us who have been here for any length of time frequently have heard the members of the C.C.F. not only suggest but tell us pointblank that big business management, and sometimes small business for that matter, is not doing the job it should. Certainly they leave us wondering about what they would do. They never tell us what they are going to do. They leave us wondering whether or not they would socialize that particular industry.

I notice a great number of resolutions and bills on the order paper indicating certain changes in respect to all types of legislation. I have heard a great deal of talk about the socialization of industry of one kind or another, but I have yet to hear a single item mentioned which they suggest they would

socialize or a particular plant mentioned which they would take over. It is simple enough to draft a resolution on that subject. It would be interesting to discover, for instance, whether or not our friends from Saskatchewan would be prepared to socialize the oil industry. If my hon. friends believe that is the answer to our labour problem, then let us have a resolution to that effect debated so that we could arrive at some concrete decision as to whether they are right or we are right. The hon. member for Coast-Capilano has indicated to us how management is prepared to assist in the solution of these problems, even to the extent of losing thousands of dollars in order to keep a plant open so the workers will have a home in which to live during the winter months. I refer to the situation in the Britannia mines, Mr. Chairman.

I indicated I was pleased that the minister had introduced this bill. I regret, however, that the government has found it necessary to introduce changes in the act because I deem that to be an admission of defeat for the present economic ideas which this government accepted from the former government. It is an indication that while the former Liberal government of this country had adopted this policy to do a particular thing, the adoption of the tight money policy to raise interest rates and so stop inflation did not bring about that result. Now, the government finds itself in the unfortunate position of having to deal with the unemployment situation. This indicates only one thing, namely that the economic system of this country has failed us miserably. We must, therefore, have a look at it.

The Social Credit members of this house frequently have requested the government to establish a committee to examine into the actions of the Bank of Canada in respect to the tight money policy. In this way we could establish the effect on our monetary control, upon our labour force and all the other factors which might be involved. When I first heard that this legislation was to be put before us, I wondered what had caused the government to change its mind. Certainly, the government had indicated it had no intention of introducing such legislation. I could not help but ask myself whether or not the change was induced by the fact that the Liberals, the C.C.F. and ourselves had talked so much about unemployment that the unemployment situation had finally deteriorated to the point where action was necessary.

Mr. Starr: That is right.

Mr. Hahn: The minister says, that is right. I would say this to the minister and to other hon. members in the house, particularly our Conservative friends, that they are saying in effect that members of parliament should not mention unfortunate problems in this house because those problems might become worse. I would say, sir, whether or not we spoke about this problem would make no difference. I would say that the tight money policy of the Liberals resulted in only one thing, namely that the Conservatives inherited it and, of course, having inherited it they want now to accept responsibility only for the good things and take none of the blame for the bad things.

May I suggest to you, sir, that the pretence there was little unemployment in this country would reflect no credit on any legislator in this house. We are fully aware of the conditions and this ostrich-like attitude of failing to recognize the problem would benefit no one. We know there is a problem. We are told there is a problem. We receive communications from our constituents indicating they are unemployed and asking what we can do to assist them. We read editorials in the newspapers indicating that there is a grave unemployment problem in this country, and yet we are told we should ignore it. We are told we are spreaders of gloom if we mention the question in the house, which is the logical place to raise this question, because it is through that means something might be done about it.

I have a clipping from the Vancouver *Province* of November 20 which interests me very much because the Minister of Justice was in British Columbia at that time discussing the very important question of the unemployment that might occur at Britannia mines unless this government took some action to forestall it. I am sure that all hon. members, as well as the members from British Columbia, are happy to see the mine in operation, despite the fact there was some talk about November 19 of closing it. However, in this article the Minister of Justice blamed the unemployment problem on the former Liberal government's tight money policy. The article says the Conservatives have relaxed the tight money as the first step in coping with the unemployment situation. Well, I do not know how long it takes parliament to feel the effects of a change. Certainly I think we all recognize that if inflation was stopped by the tight money policy, it has taken six or eight months to feel the effect of that particular change.

Our Conservative friends tell us that inflation is stopped. The Minister of Finance indicated just the other day that this is so. But it has taken from the first day when Walter Harris, former minister of finance, brought in the tight money policy up to now —a period of well over 1½ years—to

apparently stop inflation, if it is stopped, and I doubt that very much. Now, in a matter of weeks, we are told that because the tight money policy has become loose unemployment is stopped overnight. How ridiculous can we get? The article goes on to say, in quoting Mr. Fulton's remarks:

> The prophecies of doom indulged in by our opponents are grossly exaggerated and are not in the best interests of this nation.

"Spreaders of gloom" the Prime Minister called us. "Spreaders of doom" we are now termed by the Minister of Justice. Is a man a spreader of doom if he sees the unemployment situation is worse now than it was at the same time last year? Is he a spreader of doom if he can point to statistics to prove that very point? Certainly not. Is the same man a spreader of gloom, or for that matter a spreader of doom, if he is advised by his constituents that there are certain men and women who are having to go on relief in his constituency because there is no unemployment insurance available to them and because they cannot get jobs? Are these same individuals spreaders of gloom or of doom if they find there are more individuals unemployed during one week than there are in the next? I would say to the government, Mr. Chairman, through you, that it is our responsibility to draw these things to the attention of the government if that government—as is apparently the case—has not realized that we have in fact a serious unemployment situation. I say this because we are told it is not serious and that we are spreading gloom. If the government is not aware of these circumstances and we do become aware of them, is it not our responsibility to let the government know where it has failed and to try to suggest some remedy?

This may be gloomy to the Conservatives, but we in the Social Credit group do see a way out. We believe in making financially possible that which is physically possible, and there is a lot of work to be done in this regard. We just need to use our imaginations and our brains in the operation of our financial institutions so that we can make these things financially possible.

Hon. members will undoubtedly remember that not too many weeks ago I spoke during the throne speech debate with respect to this very same question. At that time I drew to the attention of the house a particular clipping from the *British Columbian* in which it was indicated that there were some 4,500 new jobs created but that the jobless list was high. It went on to point out that there were 4,500 men and 1,300 women or a total of 5,800 persons unemployed and registered with the New Westminster unemployment commission office alone.

May I say that this figure, compared with 1956, was just about double. The same applies for 1954. However, I have another clipping, a more recent one, from the Vancouver *Province* of November 20. Hon. members will recall that I quoted just a few moments ago the words of the hon. Minister of Justice to the effect that we were spreaders of doom, because we were grossly exaggerating the conditions. Well now let me read to you what this article has to say:

> Statistics for last Friday showed 24,553 persons registered under the Vancouver unemployment commission and 6,370 under the New Westminster branch.

Now, am I a spreader of gloom when I say that on the very day the Minister of Justice was speaking to a group of students at the University of British Columbia in Vancouver and telling them we were spreaders of doom or spreaders of gloom, the unemployment figures in my own city had jumped by 500 in that very short while?

Certainly we must recognize that we do have a serious problem and the sooner we do so, the better. That is why I am happy to see that the minister has taken upon himself the responsibility of bringing in this particular bill to make it possible for some of these people to gain unemployment insurance since this government does not have a better answer, which would of course mean giving them jobs. In the alternative it would mean making it possible for industry to employ them.

Now this is just one instance but there are many more. I have clippings here from three places, including the Montreal *Gazette*. These articles become more common as conditions get worse. One headline reads:

> Unemployed father of two arraigned in $32 hold-up.

A headline in the Vancouver *Province* of November 20 reads:

> Man says he joined hold-up to get food for wife, child.

And yet another headline:

> Door-breaking job-seeker draws three-year prison term.

Now, I am not saying that I accept statements to the effect that "Well, I broke into a place because I found myself in dire straits with no money to buy food for my family or myself". No, that is not the answer and those may not be true statements. But I do know, as one who has read the newspapers in my district for years, that this sort of thing becomes prevalent whenever the unemployment situation gets serious. Little

stores are held up, the garage man on the corner has a gun stuck in his ribs and he is told to hand over the cash. These things are not so apparent or so frequent in good times when we have a period of full employment. Not at all.

This matter was drawn to the attention of the former minister, not just the fact of unemployment alone but the problems which were going to result from the policies carried out by the former government. That government had pretty well lost the lumber markets for my province. We drew to its attention the various changes which were needed to make it possible to sell more lumber, but the members of that government were prone to laughing and scoffing it off and to saying, "Well, we just didn't know the answers". It was not prepared to bring the dollar down to its dollar value; it was not prepared to accept sterling, whether convertible or block, in exchange for goods and finally develop its use in a foreign land which might use that particular kind of currency.

It was not prepared to take this particular problem sufficiently into consideration or to make the study that was warranted at that time. The continuance of these financial policies will result in the continuation of the problems of unemployment we face today; they will be repeated year in and year out. The fiscal policies which we have adopted, and which are being followed today, are outmoded as we have said time and again in this group. Those fiscal policies have proven false. Orthodox Liberals may say they are right. The Conservatives may say they are wrong. Yet there is not an individual in those groups, either among Liberals or Conservatives, who could point out the difference between the two policies which are accepted by those parties.

We, the unorthodox group, say it is time parliament had control of this money, and that it should not be left in the hands of a few individuals to do with it as they saw fit. The C.C.F. party say: let us socialize oil wells, gas wells, forests, dams, everything but what is mine. This will create more jobs without overproduction. How socializing anything would create more jobs, I do not know, but possibly some day they will explain. What has brought about the present difficulties? Several factors have contributed. There is the loss of the apple market in British Columbia, a situation which is well-established today, when Lebanon is supplying Great Britain, a market we supplied in full in earlier days. I think it is up to us to discover causes and effects and, having discovered the cause of unemployment, it is up to us to try to cure it.

Here is another item from this same newspaper of November 20. One could make speeches about what one sees in newspapers in a single day. And I have chosen one day on purpose to indicate how all these things, the items on the financial pages, the front page stories of murder and robbery and everything else, may be related. Here we read:

> Fifteen million pounds imported, but B.C. tomatoes left to rot.

That is from the Vancouver *Province* of November 20. And here is another item: "Italy enters Canadian cloth market". We must find the answer to these problems. Unemployment insurance is not the answer to how we are going to keep people at work.

I was delighted to find the minister taking a positive attitude to at least one phase of this problem. His words, as I recall them, were along these lines, that the government's policy was "a means of putting purchasing power into the hands of the people." That is positive action and I would compliment him upon it.

Now the answer to this unemployment problem which has been suggested by hon. members opposite might be along lines of taking offence at the way in which big business is operating. I would commend to the attention of these hon. members another article in the same paper entitled: "In Kitimat they battle for prosperity". The article describes how the people there have endorsed a new by-law approving a new hospital whose construction will employ 250 men, and goes on to say how the workers are studying means of cutting down "moonlighting" and giving job preference to women whose husbands are unemployed. Rents and instalment payments are being deferred, and provincial and federal governments may be asked to take up the building slack by the construction of new public buildings and replacement of temporary structures.

We can understand why some men have to have two jobs. The cost of living today is so high that it is easily understandable, I am sure. These same individuals on the other side, frequently blame big industrial developments for their troubles. They take objection to these big interests going ahead and doing something for the nation to assist in a solution of the unemployment problem—

An hon. Member: No.

Mr. Hahn: Oh yes, they do. But their group in Saskatchewan is not prepared to

socialize some of these very industries or, I suggest, they would have socialized the oil wells long ago.

Finally, Mr. Chairman, certain recommendations have been made by the Canadian Labour Congress with respect to modifications of the Unemployment Insurance Act. These suggestions were included in the most recent issue of the Canadian Labour Magazine for November, 1957. I am pleased to see that the minister has incorporated some of these ideas into his new bill.

In conclusion may I just say that this legislation, despite what the minister said earlier this session, despite the fact that the Prime Minister said we were spreaders of gloom and that there was no serious unemployment, despite the fact that the Minister of Justice said we were spreaders of doom and that there was no serious unemployment, is an admission by this government that it has no answer to the problem of keeping the people of this country at work.

I know we will be told that the new government has not been given a chance to develop its plans. But if they are to take credit for what the tight money policy has achieved they must accept the blame for what it failed to achieve, and if it does not keep the people employed they must accept full responsibility for that as well. The economic system we have today offers no solution to our problem. I say that in present circumstances this legislation is a "must", and that in all probability it will need to be improved. I wish to compliment the minister again for having brought it in, and say that it is my intention to support it.

Mr. Cauchon: Mr. Chairman, by now the hon. Minister of Labour must be well aware of the unemployment situation as revealed by the dominion bureau of statistics. It has been reported both in the press and in this house.

As my riding is primarily industrial, I too feel it my duty to draw his attention to the rapid increase in the numbers of unemployed. For instance, in the Montreal area alone the increase is 14,000, according to figures released from the Montreal unemployment insurance commission to the Montreal *Star*, of November 22. In the country at large, as reported by the hon. Minister of Labour on November 21, 1957, there were 188,362 unemployed last year, as at November 8, 1956. As of November 7, 1957 the number stands at 327,388.

What has caused this sharp decline in employment and how does the hon. minister explain it? I refer to *Hansard* of October 16 this year. Here, in reply to a question put by the member for Burnaby-Coquitlam, the minister says, and I quote:

> 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.

How can the rise in unemployment be attributed to the usual seasonal decline? It has doubled within the year. Furthermore the minister assured us that the national employment bureau has been requested to find work for these men and women. I do not understand this, sir. Does the bureau now await the minister's order before it does the task it was set up to do? If jobs had been available surely the bureau could have filled them among the registered unemployed.

As far as the $150 million for the construction of houses is concerned, I would like to read what the president of l'Association des détaillants de bois du Quebec has to say about that. I quote:

(*Translation*):

> Mr. Paul A. Durivage, of Montreal, will preside over this two day congress that will deal with several matters pertaining to the building industry. Ways and means will be sought to spur construction. For some months lumber dealers have been particularly concerned over the drastic slump in house building and delegates to the congress are planning representations to the federal government asking for other funds in addition to the $150,000,000 already made available.

(*Text*):

Moreover, certainly none of those presently unemployed will be able to benefit from that if they had been planning to build. The applicant for such loans must be able to show an increase. Here and there, however, the construction workers may temporarily benefit.

Now, coming back to the cause of this problem of increasing unemployment I contend that uncertainty and fear resulting from the Mont Tremblant conference are powerful factors. Industry became uneasy, afraid of the free trade policy proposed, and started to reduce capital expansion. For example, the Aluminum Company of Canada has halted construction on two smelters at Kitimat with the subsequent lay-off of 1,000 men. I quote from an article which appeared in the *Gazette* on November 1 which says:

> Aluminium Limited does not see much point in making a capital investment of $30 million creating productive capacity for which there will be no demand.

Slowdowns in the manufacturing of electrical appliances and clothing have also contributed to the increase in the numbers without work as have those in the Canadian textile industry. Not only is management becoming reluctant to take a chance on expansion it is also reducing stocks. But I venture to say that unemployment would not be so severe now if business and industry had the same sense of security that was given them by the Liberal administration. On several occasions since I have been in the house I spoke on the subject of employment especially on the employment of older workers. In my opinion there are three categories of unemployed. First, there are those who are out of work because of lay-offs. Second, there are those who are out of work because of age, that is those who are age 40 and over. Third, there are those forced to retire at the age of 65.

On April 17, 1951 I outlined in this house measures that I believed would help prevent discrimination in employment because of age. The present Minister of Labour will probably then ask, "Why was nothing done by the previous administration?" In reply to that question I would point out that it did seek the co-operation of management through its film "Date of Birth" but prejudice and pension schemes are not changed nor overcome easily. Today, against the background of ever-increasing unemployment, the matter is even more urgent. As I pointed out in January 1957, "It is the workers over 40 who suffer most when production methods change". It is this group which also suffers most during periods of unemployment but workers of all ages want security of employment.

According to a survey conducted by the institute of public opinion and reported in *La Presse* on November 20 this year, 87 per cent of those questioned preferred steady work to increased wages. That demand has resulted in some cases in what is known as the guaranteed annual wage. Together with the demand for steady work is the demand for opportunity to work. Again I say that this latter is more often denied to the man of 40 or older. Those aged 65 have no chance of competing in the labour market. In this connection I was glad to see that in its policy declarations and resolutions for 1957-58 the Canadian Chamber of Commerce referring to employment of older workers had this to say:

> Population forecasts indicate that the proportion of older persons will be increasing. The problem of the older worker must be faced if we are constantly to raise our national product, not place an unfair burden on the employed population, and enable those older competent people who wish to do so to remain in productive and useful employment.

> Studies have indicated that the older worker if properly placed can compare favourably in performance with other workers and can make a considerable contribution to the production of the country. Furthermore, the older worker group represents a reservoir of skill and experience that the country can ill afford to waste. The addition of older workers to our labour force would enlarge our productive capacity.
>
> The chamber is of the view that Canadian employers should give full consideration to the desirability of employing older workers in suitable employment to the fullest extent practicable.

And notice especially its recommendation:

> The chamber urges that Canadian employers recognize the skill and experience of older workers and give consideration to the suitable employment of this group to the fullest extent practicable.

Surely if the problem is now recognized by an influential national body such as the Canadian chamber of commerce it is time for government to take steps to solve it. Much information regarding this class of workers, their capacities and abilities can be obtained from a book called "The Golden Years" by Senator Desmond of New York State. The state of Massachusetts with its anti-discrimination board has almost abolished discrimination in employment practice. What that state has done, Canada can do.

I maintain that the government at this session should set up a committee to study the causes of the increase in unemployment, ways of checking unemployment and ways of preventing discrimination against both those aged 40-plus and those now automatically retired at age 65 without regard to their skills, health or efficiency. It is only after a study of these questions and the establishment of a vested pension plan such as I outlined in January 1957 that we shall be able to assure our older workers of employment and avert unemployment in the future.

(*Translation*):

Mr. Poulin: Mr. Chairman, I would like first of all, to congratulate the Minister of Labour (Mr. Starr) on his proposed amendment to the Unemployment Insurance Act. The increased benefit period will unquestionably prove most helpful to many unemployed workers in Canada, and in the constituency of Beauce in particular.

Nevertheless, I am sorry to note that, while the bill which will follow upon this resolution is bound to relieve unemployment, large numbers of unemployed will not benefit from this legislation. Now it so happens that in my constituency at least, they are the very ones who most need help. I shall now attempt to prove this statement with facts and figures.

For the last few weeks, in my visits to my constituency, I have personally studied the situation of the workers and have had others do likewise, and I have thus obtained some valuable information. Of course, I have had a pretty good knowledge of the situation, acquired over the last few years because on several occasions since I have been a member of this house, I have explained the difficulties facing the workers of my constituency and more particularly bushworkers and small farmers.

According to figures provided by the employment office at St. Georges, in mid-November 1956, there were 796 unemployed looking for jobs. Those figures apply to the constituency of Beauce and to the workers in commerce and industry. This year, for the same period, 1,642 people were in the same situation. In other words this year twice as many unemployed are looking for work as there were last year. I must admit that, as far as that category of workers is concerned, the present resolution providing for an increase in the number of weeks during which benefits may be paid, will be most helpful. Most of these workers have accumulated enough contributions over the last year or two to be entitled to normal and supplementary benefits and this payment will certainly be greeted with a great deal of satisfaction by the workers themselves and their families.

However, there remains the case of the bushworkers. There are two types of bushworkers, those whose chief occupation is employment in the bush, and then farmers and farmers' sons whose main occupation is farming but who, every year, go to work in the lumber camps to supplement farm income. Now that extra income is an extremely important item, and has been very much so over the past two years since net farm revenue has fallen off considerably, in line with rising costs of production. Just take, for instance, the constant increase in the price of fertilizers, feed and farm implements. Workers in this latter group usually received seasonal benefits because of the contributions they had accumulated in the fall when they were working in the bush. This year, however, they could not find jobs in the bush, they could not accumulate the required contributions. Therefore, they will not qualify for supplementary benefits and the improvements brought by the amendment to the act will not help them in any way.

Now then, what will happen to the first group of these workers, those whose main and generally sole occupation is working in the bush? I should say at this point that the figures which I am going to quote are approximate ones which I have collected in the course of my personal investigation. They reveal a rather serious situation and I would be very glad indeed if official figures showed them to be wrong.

There are about 6,000 workers in this group, approximately half of them usually working in the United States, the other half working either in Quebec or in Ontario. Of the 3,000 working in the United States there were 2,500 at work in October 1956 and only 225 at work in October 1957. This means that, in the constituency of Beauce, 2,275 bushworkers who usually work in the United States are at the present time unemployed. And, what is more tragic still, as it has not yet been found possible to conclude an agreement on the exchange of benefits between Canada and the states of Maine and New Hampshire, those 2,275 bushworkers have not accumulated any contributions because they had practically no work in the summer and will therefore receive neither regular nor supplementary benefits. Consequently, the excellent measure which this resolution leads us to expect will do nothing to brighten up their dark situation.

I should like to add incidentally that in the constituencies bordering on the state of Maine, the constituencies of Beauce, Dorchester and the others, there are about 18,000 Canadian bushworkers who generally work in the United States and who, for the reason mentioned a few minutes ago, can never take advantage of the Canadian Unemployment Insurance Act. I have in the past made representations to the Canadian department of labour requesting some agreement with the state of Maine in particular, and I know that the government of that state refuses to consider the matter.

The minister of labour of the previous government had looked into the matter. The present minister also takes an interest in the matter and I congratulate him for it. I therefore take this opportunity to ask him to keep trying to get the labour department of the state of Maine to change its policy. It would possibly be a good idea to explain to the authorities there that, unless there is a change, they will end up by being short of Canadian bushworkers. In fact the number of such workers going to the United States—outside of unemployment periods—has been dwindling at the rate of about 500 a year. If in a year or two there was a sudden increase of opportunities for employment in the bush, —which is quite possible, and I do hope it happens soon,—Maine will certainly be out on a limb, as far as Canadian bushworkers are concerned.

Now let us look at the situation of the 3,000 bushworkers of Beauce who usually work here in Canada. In October, 1956 there were approximately 2,500 at work, as against 2,000 only in October, 1957. In this group then, last October, we noted a decrease of 500, in other words an increase of 500 in the number of unemployed.

Now then, for the past few weeks woodcutting has stopped in several large lumber camps. The camps have closed down and some companies which usually end their operations by early January or soon after will suspend those operations within eight or ten days. It means that, if we add the number of unemployed workers of each of the two groups mentioned, we have, at the present time, approximately 3,400 unemployed and that there will be between 4,200 and 4,500 of them by the 10th or the 15th of December, out of a total force of 6,000 bushworkers. And here again, as the great majority of them worked in Canada this summer and became unemployed recently or some time ago, they will not qualify for the regular or for the supplementary benefits since woodcutting operations were very much reduced this year and the number of available workers much greater. As a consequence, operations were of much smaller duration and these people could not have a sufficient number of stamps affixed in their books to make them eligible for the benefits.

It is therefore, I believe, a conservative estimate to say that if the present regulations under the act remain in force there will be, on January 1st, in the constituency of Beauce, from 3,800 to 4,000 unemployed bushworkers who will not receive any unemployment insurance benefit and will not be helped by the proposed amendments to the act. How could the act be amended so as to give assistance to this large number of unemployed who do not qualify for benefits because they have not been able to accumulate the necessary contributions? I venture to suggest that it could be achieved by reducing the number of required contributions. As of now, the act requires 15 weekly contributions. But if that number were reduced to 10 or even 8, I believe that about 40 per cent of the 4,000 unassisted unemployed could obtain their benefits and would particularly be able to take advantage of the generous amendments the government is now bringing in by increasing the supplementary benefit period. This is, I know, an extraordinary change; it should of course be only temporary, but drastic situations call for drastic remedies.

And yet, there will remain the group of those who went across the border—about 2,500 of them—who will find it quite impossible to take advantage of the unemployment insurance act, even when amended as indicated by the government, and it would be so even if an amendment included my suggestion of cutting by half the number of contributions required to qualify for the benefits.

That group represents about 2,500 unemployed. Is it not a tragic situation? I confess to some reluctance in submitting a constructive suggestion in the case of this latter group. One way out would be to call for the enforcement of the Unemployment Assistance Act which authorizes the federal government to pay 50 per cent of the relief granted by the provinces to the unemployed and needy while the other half would be paid by the provinces themselves. This, however, brings back the sad memory of direct relief and the meagre allowance paid to idle human beings who could work and wished to do so. In my opinion, such a legislation should be but a last resort. Moreover, I understand that the province of Quebec has rejected that proposal and has refused to come to an understanding with the central government on that matter.

On the whole, would it not be preferable for the government to consider the possibility of undertaking certain projects, whose importance is shown by the persistence with which people in Canada have called for them for many years in certain areas, as, for example, the construction of retaining walls along the Chaudiere river in some parishes and villages of the county of Beauce? I know that in normal times, such projects should be carried out in accordance with the Water Conservation Assistance Act. However, we are in an unusual situation as far as employment is concerned and, for that very reason, the central government could carry out these works without encroaching upon the autonomy of the province of Quebec since they have recognized their responsibility in the matter of unemployment when they established unemployment insurance. Similarly, the government could also speed up the development of certain projects whose necessity they seem to have recognized since they are making plans for their implementation. Among these, I would mention the construction of a government building at St. Georges de Beauce. Such works, and many others as well, would stimulate the economy of the whole area and would greatly reduce unemployment.

I wish to be fair, however, and to recognize that the government is not unconcerned over the situation which now exists all over the country. The resolution dealing with a supplementary expenditure of $150 million for housing, which is now on the order paper, is ample proof of this and I warmly congratulate the government about this initiative. However, I greatly fear that this excellent piece of legislation will bring no improvement to the particular situation existing at the present time in the county of Beauce, a situation which will surely worsen within a few months.

I have tried to explain very simply that situation as I see it and to offer my humble suggestions for its solution. I have the right to expect that the government, through its experts and even through the Minister of Labour, will be kind enough to give it their serious consideration. If they feel that my suggestions are impractical, I shall be glad and anxious, together with the population of Beauce county, to hear about better solutions.

(Text):

Mr. Christian: We are today giving consideration to resolution No. 13 which reads as follows:

That it is expedient to introduce a measure to amend the Unemployment Insurance Act to increase the length of seasonal benefit periods; to increase the number of benefit payments for which claimants may qualify during those periods;—

That is basically what is being asked for under the resolution. It would seem that the intention of this resolution is to liberalize the periods and also the payments. I was a little bit concerned with regard to this particular resolution when I heard that fishermen are able to qualify under the act whereas, as I understand it, agricultural workers are still in the category of an excepted employment. In my own Okanagan Boundary area agriculture is our main industry. In that area are a great many workers who are engaged in agricultural work and pursuits. It would seem to me that it is only fair and reasonable that those agricultural workers be included under the act. Later on I should like the Minister of Labour to tell the house whether consideration was given to the matter of including agricultural workers under this scheme; and if not, why not? The very fact that fishermen are included and other occupations, such as agricultural workers, are not included I think is unfair and this act should be extended as soon as possible to cover other occupations.

However, there is one good feature of this proposal and that is there will be an additional sum of $13 million which will help to increase the purchasing power and the extent of the coverage will be increased by about 36,000 persons. However, I do feel that in so far as these amendments are concerned they are actually only in the nature of emergency legislation. They are only a palliative and not a remedy; that is one particular point I wish to mention. This is not a solution of the basic unemployment problem which we have in our country.

You are no doubt aware that in our country today there are two destroyers of progress: One is unemployment and the other is a lack of purchasing power. In my own Okanagan Boundary constituency we have a number of industries such as ranching, lumbering, base metal industries and fruitgrowing. Those persons who are engaged in those industries are having an exceedingly difficult time today. In my constituency unemployment has doubled and the situation is getting worse all the time.

In so far as British Columbia is concerned, 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, and as at September 19, 1957, the number of persons registered for employment at local offices in the Pacific region was 29,837. The figure for the comparable date, September 20, 1956, was 15,619. I would not doubt but that the figure has substantially increased since September 19, 1957. It is well known throughout this country that unemployed people congregate in British Columbia during the winter months and more particularly on the Pacific coast.

It is necessary that action be taken to combat this serious unemployment problem. I have not as yet received from the government any satisfactory answers to questions which I have asked. For example, under date of November 13, I put the following questions on the order paper:

What steps have been taken by the government since June 10th, 1957, to help the base metal mining industry in British Columbia and in particular the base metal mining industry in the Okanagan Boundary area?

What steps have been taken by the government since June 10th, 1957, to help the lumbering industry in the province of British Columbia, and especially the small loggers who face adverse market conditions?

I should like to point out to the committee that since November 13 I have asked other questions pertaining to various matters about which we are concerned, and I have received answers to those questions. However, I have

received no answer to this particular problem as yet, and it does relate to the matter of unemployment. I am aware that this government did set up the sum of $150 million to help house construction, but it seems to me that British Columbia is being sadly neglected by this government. Apart from the matter of housing, I should like the government to tell us what has been done in so far as the construction of capital projects is concerned in British Columbia. I am not aware of any at the present time, except perhaps the expenditure of a certain amount of money in regard to housing.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Christian: Mr. Chairman, prior to the recess I was speaking on the Unemployment Insurance Act and unemployment generally. To me it is hard to realize that we in Canada have the unemployment situation which we do have, being aware as we are of Canada's rich heritage and its population of only about 16 million people. Yet we have a national debt of about $11 billion and our debt charges annually amount to about $500 million. This situation is indeed difficult to understand and it appears to me that it is a sad commentary on the performance of the previous and the past governments of this country.

I note at page 1360 of *Hansard* for November 21, 1957, the hon. member for Levis asked the Minister of Public Works this question:

> Can he tell the house whether it is the intention of the government to launch now a special program of public works across Canada to alleviate the very serious unemployment situation?

In reply the hon. Minister of Public Works said:

> Well, I have no intention of launching an overall program of public works across Canada—

I think it is a most unfortunate state of affairs if that is the present policy of the Conservative government. It seems to me that this is indeed a defeatist attitude. What I am particularly concerned about is what the government plans to do to bring about a public works program across Canada and, in particular, to help the province of British Columbia. As I have said previously, apart from the matter of housing, I am not aware of any large capital project under construction in British Columbia at the present time. In my own constituency in the Okanagan Boundary area there is great difficulty in selling lumber at a reasonable price and the small holders are having great difficulty, especially with respect to selling their fruit. As a matter of fact this year I have noticed many many tons of fruit have been dumped in various dumping grounds throughout the Okanagan Boundary area.

I am interested to know if when the various provincial premiers were here this week this matter was given consideration by them particularly with respect to a public works program for Canada. So far I have heard nothing whatsoever in this connection.

Now the Unemployment Insurance Act is no solution to the problem which is facing us in this country; it will certainly not give work to the people of Canada and unless something is done in this connection it will be the people of Canada who will be the sufferers.

I would like now to deal with that other destroyer of progress; I mentioned unemployment as one, and the second I consider to be the lack of sufficient purchasing power in the hands of the Canadian people. I say that if unemployment and the lack of purchasing power continues it could wreck the Conservative party. It could also be a sad blow to the welfare of our people. I am not thinking of the Conservative party, I am thinking of the Canadian people as a whole. I think there is one very important economic truth which we should remember which is that the sole purpose of production is consumption. This was said by the famous economist Adam Smith many many years ago and his statement is as true today in our country.

As we know production is no problem whatsoever; we have no problem in that regard in Canada at all, but the real problem faced by all parties in this country in years past and today is the problem of bringing about proper distribution of goods and services among the people; this is of course the problem of consumption. I know of nothing that is being done today to try to solve that particular problem.

I submit that our monetary system is old fashioned, it is archaic. As a matter of fact it is full of moth-holes and is in need of a new cloak. I would like to read a few remarks quoted in a newspaper entitled *The Fundy Fisherman* published at Black's Harbour, Charlotte county, New Brunswick. This particular issue was published on Wednesday, October 9, 1957, and the heading of the article is as follows:

> Royal commission on finances needed. High interest, tight money condemned.

Another heading reads:

> Bank of Canada methods challenged as unsuited to needs of present day.

The article reads as follows:

> Premier Hugh John Flemming of New Brunswick has thrown his influence strongly behind the

rising tide of progress against the antiquated policies of the Bank of Canada. The premier, in a strongly worded speech before the Atlantic provinces' economic council called for a royal commission inquiry into the application of the Bank of Canada policies to the Canadian economy of the present day.

Now, Premier Flemming is actually a Conservative premier in the province of New Brunswick and personally I think he would be a welcome addition to the present Conservative party in this house. At least he would introduce into its ranks some flexible and constructive thought. The article goes on to say:

The New Brunswick leader's statement came at a time when evidence mounted daily to show the failure of the high interest, tight money to provide Canadians with increased production at a steady cost of living.

Further in the article it says:

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.

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. The result of this royal commission was, of course, the setting up of the Bank of Canada.

Further on in the article Premier Flemming says this:

Is our present monetary and financial structure really suited to the needs of the Canadian economy in the mid-twentieth century? Is it too centralized? Can it not be made more flexible so as to meet, to some degree, the needs of particular regions? I think that these matters should be the subject of enquiry by a royal commission. We, in this region, are determined that the future shall be better than the past—that is the reason that we, the premiers of the Atlantic provinces, meet in conference here today. This is the purpose for which APEC exists. But all our efforts could be in vain if we are constantly faced with a monetary policy which is completely unsuited to our regional needs.

Now if they had this conference in the United States I submit that it is only reasonable that a similar inquiry should take place in our country. As I said in the first speech which I made in this house, it is high time that we had an independent group of men appointed to study all aspects of our financial system and to bring about a substantial improvement thereof for the benefit of the Canadian people as a whole. The Social Credit group, in making the amendment to the throne speech, recognized that it was time we had a scientific modern policy to bring an end to the tight money policy and to reduce the rise in cost of living.

Mr. Sinclair: I would like to start, Mr. Chairman, by saying a word of compliment to the minister for the very frank and concise statement he gave on this measure which is so important at this time. He is new to his job and his job is a difficult one. I think before this winter is over it will probably be the most difficult one in the cabinet of Canada. Nevertheless I think those of us on this side of the house, knowing the problems as we do, do congratulate the minister on the way he has faced up to and tried to give us the facts without evasion. I think his conduct might well be copied by one or two of his colleagues over there who have not been as frank in giving us the facts.

I am very glad of this chance to speak on this question of unemployment. I think that to many Canadians today this debate on unemployment is of much more immediate importance than the important debate on external affairs which took place yesterday. The minister gave a brief review of the conditions which necessitated the introduction of this emergency legislation and he also sketched in some of the things which this government had done in an attempt to solve the present serious unemployment conditions in this country.

Well, the Minister of Justice this afternoon, in another debate, said the proof of the pudding was in the eating, and I think perhaps the success of these measures mentioned by the minister can best be judged by their results. The results, as shown by the figures produced by the minister himself in recent weeks, are that unemployment in Canada is, on the whole, twice what it was this time last year, and the very fact that we are having to take special action today to hurry this legislation through, extending unemployment insurance benefits over a six-month period in the year, is also an indication of at least the appreciation of the Minister of Labour that this is an emergency. And all the brave words used by the Minister of Finance on the T.V. last night or in Toronto last week will not convince the Canadian people, especially the 327,000 registered unemployed as of November 7, that there is not an emergency in this country.

The fact that this legislation is going to extend what were seasonal benefits to cover half the working year is another striking example of the fact that we have a real problem in Canada today and the fact, too, that this legislation will extend to people who normally would have been covered by the present act but who have exhausted their benefits is further evidence.

I will not comment on the actions taken by the government to relieve unemployment, as listed by the minister, but I want to speak with special feeling about one action which the Conservative government has taken which, I am sure, is going to bring very serious consequences in my own province of British Columbia in particular as far as employment is concerned, and across Canada to a lesser degree. I say "to a lesser degree" because we in British Columbia are especially vulnerable in this field. When conditions are good in Canada they are very good in British Columbia; when things have been bad in Canada they have been very bad in British Columbia. We have greater swings in the economy, mainly because we are still, principally, producers of primary products. Today, in British Columbia, I see from studying the record, that we have a higher ratio of unemployment to population than any other province in Canada.

The government action I refer to is the announcement of the Prime Minister at a press conference at an airfield during the summer that he intended to try to divert 15 per cent of trade from the United States to the United Kingdom, a total volume of $625 million a year. We British Columbians find the biggest market for our three principal products the production of which is the chief source of employment in our province—in this American market, namely, our fish, our base metals and our lumber. I list them in growing order of importance, but in putting fish first I do so because it is the thing which is closest to my heart. We have been under considerable pressure, as far as our markets in the United States are concerned in recent years because of the cry of American protectionists groups to stop the flow of these products from our forests, seas and mountains into the United States.

I say that the action of the Canadian government in announcing that they intend to take $625 million worth of trade away from the United States has strengthened the hand of every protectionist in the United States who is clamouring for high tariffs against Canadian products.

I should like to deal briefly with each of the three main industries which, I contend, are likely to be adversely affected. First with regard to fisheries. We Canadians are blessed with tremendous fisheries, fisheries far greater than our population can make use of, and so we must look for foreign markets, and for foreign markets near at hand. Fish is not like wheat; it is not very storable, but highly perishable and the closest markets are best. Over one-half of our fish products today is sold for consumption and use in the United States.

In the last five years the New England senators and congressmen have maintained an important lobby to raise tariffs and bring in quotas against Canadian fish, and twice they have succeeded in having the tariff commission of the United States bring forward recommendations recommending tariffs which would have a most detrimental effect on the Canadian fishing industry. But we have good friends in the United States who value Canadian trade, and we have a good friend in President Eisenhower, because twice President Eisenhower has himself vetoed the recommendations of this tariff commission inspired by this protectionist lobby from the New England states. I say that President Eisenhower is going to have a more difficult time this spring in resisting the pressure for these tariffs from these New England senators, who can now say: "why should we worry about Canada, since Canada is devoted to taking $600 million of trade away from our markets."

An even more difficult situation prevails as far as our base metals are concerned. Canadian production in this field is far greater than a nation with a population of 16 million people can ever absorb. And, once again, the biggest and best market for base metal products is in the United States and, again, because prices have been sinking we have encountered a very powerful lobby mounted in Washington by the senators from the mining states of the west and by the miners union in the United States maintaining in senate representations last August that there should be introduced, not just tariffs but punitive tariffs on an extraordinary scale against the importation of our zinc and lead, a scale of tariffs increasing from one cent to two cents, three cents and four cents a pound on zinc and lead as they fall in price. Normally *ad valorem* tariffs increase, of course, as the price goes up but these tariffs will increase as the price goes down.

The whole purpose of these tariff recommendations was not to restrict the entry of Canadian zinc and lead but to block it completely. These hearings, which had been held over, are to resume this December. Earlier this week the Canadian mining association attended hearings in Washington to press the case of the Canadian mining industry, explaining the extent of its dependence on the American market and how, if these tariffs were brought in, at least one-third of our Canadian base metal mines would close immediately and the others be forced on to part-time production. There again is an example of how the action taken by this

government could have a dreadful effect on the industry of my province and, for that matter, on the base metal industry across Canada.

There is a third great industry in British Columbia based on our great timber production. Still in our province over 50 per cent of the payroll comes from our forests and here again the best market over the years for this tremendous production has been the United States, after which comes the Canadian market, and thirdly, and a long way behind, the British market. Once again we find these protectionist groups in the United States clamouring for tariffs against British Columbian lumber and, I expect, against maritime lumber, too. They have had a fair measure of success as far as plywoods and hardboards are concerned. Because of that, in my riding, in the riding of the hon. member for Comox-Alberni and in the riding of the hon. member for New Westminster, timber companies are closed or working with greatly reduced staffs with little opportunity for increased markets in the future. And once again those who are clamouring in the United States for still greater protection, as they call it—still greater exclusion really of our natural products are going to be greatly strengthened in their arguments in the senate and before the tariff commission. Once again they can say: "why should we worry about this Canadian government when as government policy they are trying to take $600 million worth of natural trade from us and divert it to the United Kingdom?"

The minister mentioned the impact of $150 million made available under national housing. That is a good step forward because housing probably does provide more labour per dollar spent than any other industry. The figures, however, show that in British Columbia there has been remarkably little advantage taken of those loans. Our province of British Columbia has generally led the nation in housing construction but the most recent figures on the distribution of that money show that while Ontario had taken $49 million, British Columbia had taken less than $3 million. That is about one-sixteenth of the amount, about one-quarter of the rate of construction in Ontario.

This matter of growing unemployment in British Columbia is one which has given great concern to all our British Columbian members. That is one reason why all British Columbia private members of all parties joined so unanimously in asking the government to take positive action in a case which we regard as a key case where very little government help can keep a great industry operating this winter. I refer, of course, to Britannia mines.

Now, it is true that unemployment insurance has changed the picture a bit so far as the plight of the unemployed is concerned. During the days of the Bennett government unemployment was the scourge of the people. The people were on the 20 cents a day dole and young men were herded into labour camps—out of sight out of mind—as apparently the Prime Minister would have us ignore unemployment today when he says we are creating a fear complex if we even mention it.

The floor of Liberal social security legislation brought in in the last 20 years, unemployment insurance, unemployment assistance paid jointly by the federal and provincial governments, universal old age pension and family allowances put cash money into the family group which did not exist of course during the thirties. All these things are helpful and the amendments put forward by the minister today are helpful but they are no substitute for employment. The answer to unemployment is not the diversion of trade from one country to another but the expansion of trade in every country and above all the development of secondary industry here in our own country. We want to see an expansion of jobs through national development. The government can take a great deal of immediate action to stimulate public works. Day after day we hear the Minister of Public Works say that these things are planned and are being revised or reviewed. This is not the time for the review of public works, this is the time for positive action and every possible public work contemplated should be undertaken as soon as possible.

There is one other item I would like to mention before I sit down. In his argument the minister pointed out how helpful the $13 million which he expected would be paid in these extra benefits would be as far as purchasing power is concerned and my Social Credit friend, the hon. member for New Westminster, concurred in that. I find that very curious economics. When they were working these men had at least three times that purchasing power, approximately $40 million; and to drop from $40 million when this group was working to $13 million when they are unemployed and drawing benefits does not seem to me to be very sensible economics.

Mr. Hahn: They would not have anything without this.

Mr. Starr: Would you prefer to give them nothing?

Mr. Sinclair: No, I would rather see them enjoying the high level of employment they enjoyed under the Liberal government.

Mr. Starr: So would I like to see them enjoy a high level of employment but this is better than nothing. It is good economics.

Mr. Sinclair: I am glad the minister has risen because now I am going to suggest that if he wants to do something positive to put real purchasing power into the hands of the Canadian people his government should meet the request that has been made by our party, the C.C.F. and the Social Credit group since this session started and have the Minister of Finance bring down a budget this session with these great tax cuts which he promises because that would really put purchasing power far greater than the $13 million into the hands of the Canadian people. That would really spur employment and activity in this country.

Mr. Charlton: Why didn't you do it?

Mr. Pearson: Because we had employment.

Mr. Sinclair: Last June we had the highest level of employment and the greatest peak of prosperity in all the history of this country.

Mr. Brooks: What about 1955?

Mr. Sinclair: Let me just tell this committee what this would mean in terms of purchasing power. When the Minister of Finance brings down his budget it will not be any surprise to the Canadian people because the record is filled not only with the election promises but the declarations of the Minister of Finance when he was the financial critic of the opposition. They are going to increase the exemption from income tax from $1,000 to $1,500 for the single man and from $2,000 to $3,000 for the married man.

Mr. Charlton: That was never stated.

Mr. Pearson: Yes it was.

Mr. Sinclair: He is going to wipe out the excise tax on automobiles and bring in at least a 25 per cent reduction in sales tax. If these promises—and after all the Prime Minister said his promises were solemn obligations which would be effectuated—

Some hon. Members: Hear, hear.

Mr. Sinclair: Yes, it is all right for you to say, "Hear, hear" but what we are asking is that these promises be effectuated as quickly as possible. What we ask is for the Minister of Finance to give some definite answers such as those for which I congratulated the Minister of Labour earlier and when he brings down that budget and effectuates those promises—

Mr. Charlton: You just can't take it, that is all.

Mr. Sinclair: —it will be, by my calculation, $300 million which he will put in the hands of the Canadian people to spur the economy.

I have one last subject on which to speak. The hon. member for Comox-Alberni mentioned a point which is of concern to those who watched the unemployment insurance fund from the start. The fund is now over $800 million. It is a good thing to have a big stable fund which can be drawn on in times of emergency. Over the years the fund should grow in amount as our working population grows but there will be dips. I do agree with him, however, that the present legislation extending the winter's unemployment season to six months of the year is unusual and was not contemplated when the original act was drawn up or when the actuaries calculated what premiums would pay for what benefits. I do not agree with the hon. member for Comox-Alberni that the minister should contemplate making direct contributions from the national treasury into the fund because of these emergencies. I think it would be very difficult to know how much will be needed over this winter. Experience, after all, is the best teacher in a field such as the insurance field and I would think a review should be taken of the situation in the spring time.

An hon. Member: Too late.

Mr. Sinclair: Organized labour of course is interested in this fund because two-fifths of the contributions have been put there by the working population. Management is just as interested because again two-fifths represents their contribution. And we, the parliament of Canada, representing the taxpayers have an interest too because one-fifth came from the government's contribution. Therefore, while I think the fund must be kept under very constant review I would congratulate the minister for taking action at the present time and we shall await the results in the spring to see whether or not it has been actuarially unsound and if the fund should be supplemented with a direct contribution from the government.

Mr. Barnett: Mr. Chairman, I wonder if the hon. member for Coast-Capilano would permit me to correct what apparently is a misapprehension on his part. I did not make

any suggestion about the government making direct contributions to the fund but I did raise the idea that consideration might be given to some increased payments to the fund by certain employing interests who I said were in large part responsible for the unemployment situation.

Mr. Sinclair: I am sorry if I misunderstood the hon. member. I thought he was suggesting direct contributions from the consolidated revenue fund.

Mr. Cameron: Mr. Chairman, when I was just listening to the hon. member for Coast-Capilano I thought how fortunate he must feel to be able to be sitting on this side of the house at this particular time.

Mr. Stuart (Charlotte): You would not have this trouble if we were on the other side.

Mr. Fraser: It would be ten times worse.

Mr. Stuart (Charlotte): For 22 years you prayed for it and your prayers were never answered.

Mr. Cameron: I doubt that the people of Canada would be particularly impressed by hearing the Liberal pot calling the Conservative kettle black and the Conservative kettle hurling the charge back again. It has always puzzled me why members of the House of Commons who have access to so many documents seem to have an aversion to looking at the documents which are produced by such organizations as the dominion bureau of statistics and the Bank of Canada because if they did so they would realize that the impasse we have reached today is the end result of a long and fairly steady curve which has been going on for some time. As I say, the hon. member for Coast-Capilano is fortunate that he is now able to point with horror to what is going on rather than having to do as his Conservative opponents are doing, pretend the thing he is pointing at is no longer there.

In fact, Mr. Chairman, I have been rather impressed with the philosophy of the Conservative party which seems to be that unemployment is some sort of nervous disease that affects society, the sort of thing that attacks a hypochondriac, and that if you just pay no attention to his complaints they will go away, a sort of don't look now at the D.B.S. figures and perhaps the next time you look at their report unemployment will be gone. It would be amusing were it not disturbing to hear supposedly responsible ministers of the crown suggesting that unemployment is caused by members of the House of Commons, or spokesmen for industry or labour, who look at the D.B.S. figures and point to the fact that we have a serious unemployment problem are causing unemployment. As I say, it would be amusing if it were not disturbing. It is disturbing to me because I have lived long enough to have memories of previous governments which used to tell us that prosperity was just around the corner. It took us some 10 years to get around that corner.

I would also remind the hon. member for Coast-Capilano that while it is quite true that the Bennett government was apparently unable to do anything with the catastrophe that had overwhelmed the Canadian economy in 1929, there was the period from 1935 to 1939 when the Liberal government was equally helpless.

Mr. Sinclair: It improved steadily every year.

Mr. Cameron: Equally helpless, and it is a sad commentary on our economy that it was the evil machinations of a gentleman in Germany that finally came to their rescue, because there is no evidence in the record that the Liberal government of that period was any more capable of dealing with the situation than the helplessly bankrupt Canadian government that preceded it.

Some hon. Members: Hear, hear!

Mr. Bell (Carleton): Will the hon. gentleman permit a question? Will he tell the committee exactly how effective the socialist governments of those days were?

Mr. Cameron: The socialist governments of those days in Scandinavia—and those were the only places in which they were in power and are still in power—were even at that time giving an example to the rest of the world of how to organize on a rational basis a modern industrial economy. I do not expect that my hon. friend knows that because I have come across vast bogs of ignorance in the history of some of the members on that side of the house.

Mr. Bell (Carleton): It must be a reflection of the hon. gentleman.

Mr. Cameron: It may be a reflection, as I walked into those bogs, possibly.

Now, Mr. Chairman, I think we have to take a more serious look at this situation and realize that it is not what the Prime Minister airily described the other day as a mere temporary situation. There are far too many serious portents on the horizon now to let us believe that this is something of a delusion, if we just avert our eyes from it.

I was interested in the suggestions from our friends of the Social Credit party that there was some magical way in which, by

the manipulation of the monetary system, we were going to be able to overcome those problems. I was interested, too, to hear the hon. member for New Westminster demanding what was the socialist solution to the problem because you know, Mr. Chairman, I have been sitting here for five years and I have been disappointed session after session that I have never yet heard explained in this house just what is this miraculous method by which, by the manipulation of the monetary policy of the country, we are going to overcome serious economic dislocations.

Mr. Sinclair: You have heard the hon. member for Lethbridge.

Mr. Cameron: No, because I was always so bogged down by the hon. member for Lethbridge in the consideration of the problems of the Turko-Mongolian menace.

Mr. Blackmore: It has nothing to do with the financial system.

Mr. Cameron: That is exactly what I thought.

Now, it seems to me, Mr. Chairman, that our friends of the Social Credit party are unable to distinguish between cause and effect, unable to distinguish between what is the moving force and what is the object that is moved in our society. They seem to have no grasp of the role which money plays in the modern economy, no grasp of the fact that as the former governor of the Bank of Canada told me in the banking and commerce committee in effect, it is nothing more than a reflection of the level of economic activity at a certain time.

I have been interested also in hearing from very many sources, including the extremely eminent Minister of Finance of Canada, talk —and backed up by our Social Credit friends —about the tight money policy of the previous Liberal government. Now, far be it from me to go to battle for the Liberal government, but I did notice during the election campaign that my Conservative and Social Credit opponents were violently attacking my Liberal opponent for the tight money policy of his government. My Liberal opponent was rash enough and ignorant enough to dash to the rescue of the government for the tight money policy that had existed.

I have referred before to those documents that we can get and I would refer hon. members who have ideas about tight money to look at the September report—it is the latest one I have—from the Bank of Canada and I think they will find the same situation even to a greater degree if they look at the October issue. They will find that there is not a single month in the year 1957 in which the total money supply has not been larger than it was in the corresponding month of 1956.

An hon. Member: What about the interest rates?

Mr. Cameron: My hon. friend asks me about the interest rates. I have observed a strange sort of predilection on the part of the Minister of Finance to imagine, or at least to imply to us, that it has been some virtuous action on the part of himself and his colleagues which has caused the slight decline in interest rates which has taken place, the same line of reasoning which used to cause him to attack his predecessor in office and accuse him of having raised the interest rates. But, as anyone who has any grasp at all of the workings of the modern economy knows, he knows perfectly well that these interest rates were set by the demand for capital in a vast, booming period of expansion, and no action on the part of the government, either the former Liberal government or the Conservative government, had the slightest effect on those interest rates.

Sometimes we have pointed out to us the action of the Bank of Canada in altering discount rates and it seems that the governor of the Bank of Canada can speak until he is blue in the face and everything he utters falls on deaf ears when he tells us over and over again that the bank rate of the central bank of Canada is merely a reflection of the interest rates which have been achieved through the actions of our economy.

I would suggest to you, sir, that in this situation of unemployment that we are facing today we are not facing anything so simple as a mere manipulation of the monetary system; we are not facing anything so simple as some action—what action it would be I would not know—on the part of the Minister of Finance to lower or to raise interest rates. We are in effect reaching a position that it was practically inevitable we were going to reach, although for 20 years we have been able to avoid certain problems. But the problems come back again and they were outlined very ably just a few moments ago by the hon. member for Coast-Capilano. I may say I noted he also had the same sort of philosophy as our friends across the way when he suggested that the rash suggestion of the Prime Minister that he was going to divert 15 per cent of our trade to Great Britain had really caused a decline in our export markets. I do not think he really believes that. I think he knows enough about the workings of the international economy—

Mr. Sinclair: Just one correction; I did not say that. I said it stimulated a feeling in the United States which is going to result in tariff reprisals.

Mr. Cameron: I understood the hon. member to mention the fact that our markets there had been curtailed and he linked that fact with the suggestion that it was caused by this rather rash and unconsidered statement of the Prime Minister. I think we are obliged to face the fact that no matter what we do or say those markets are going to shrink and are going to continue to shrink for some very simple reasons.

During those 20 years we have had a number of historical accidents which have enabled us to put off coping with this problem. We were bound to hit it now. We had, for instance, the period after the war when we had a tremendous backlog of demand and when also we had certain former rivals in the industrial field completely shattered as a result of the war. In the ensuing 20 years those countries have come back; they have rebuilt their economies and they have reproduced the situation in world trade that we faced 20 years ago.

There are various suggestions as to how we are going to cope with the resulting strains on our economy. I was interested the other day to get a copy of the text of a speech made by Mr. Graham Towers, the former governor of the Bank of Canada, to the life underwriters association in Toronto. It was delivered on November 14 of this year. At page 4 of that speech Mr. Towers is discussing inflation. I suspect that his comments are aimed at certain people who have been demanding that there shall be an end to the tight money policy and that there shall be a little more shot of inflation into our economy. He has this to say:

> It should be noted that those who think continuing inflation is inevitable or even necessary do not regard it as a good thing, but rather as less evil than possible alternatives. One alternative which they have in mind is a situation in which demand is not pressing on supply, employment is less than full and credit policy not inflationary. Wage increases would of necessity have to be restrained, because increased costs could not be passed on to the consumer. It is assumed that in these circumstances, there would be a political swing to the left, particularly on the part of trade unions, and governments would be found willing to countenance and support inflation or perhaps turn to direct controls in an effort to combine full employment with some degree of stability in prices. So it is argued that it would be better to accept inflation—preferably creeping inflation—in the first place, rather than make an abortive attempt to avoid it.

Mr. Towers is, I suppose, the most eminent voice in Canada of orthodox capitalist finance. I think it is of interest to us to realize what his view is on the now widely accepted theory of full employment as the goal of a worthwhile society. He has this to say:

> In the course of this argument, we leave the field of economics and get into the field of human behaviour, because it is necessary to prophesy what the reaction of the majority will be to a given set of circumstances; and that is a very risky game, unless one goes to extremes in setting up the circumstances. For example, I think it would be quite safe to assume that massive and continuing unemployment on anything like the scale of the thirties, would produce formidable political reactions and adoption of policies of the kind I mentioned a moment ago. But can one assume that the same thing would occur if unemployment at times rose moderately above the average level of the post-war years? Government figures have put this at about 3.8 per cent of the working force in the United States and 3.1 per cent in Canada. The Canadian figure of course includes seasonal unemployment, which is much more of a factor in this country than it is in the United States. These unemployment figures have generally reflected a situation in which some unemployables are listed, plus others who are in the course of changing jobs and are out of work for only a brief period of time. Can unemployment go no higher than this without forcing the adoption of policies which impose on everyone the penalties of continuing inflation?

I have quoted that portion of the speech because it seems to me to reveal the fact that a very eminent spokesman for what is amusingly called the free enterprise economy considers that the theory of full employment is not a valid one and that in order to keep our economy working we must be prepared to have more than 3.1 per cent of our working force unemployed and run the risk of social and economic dislocation. I am interested in that suggestion because this afternoon the Minister of Labour quoted the figures for October of this year when he told us that 3.5 per cent of our working force was unemployed during October. The figure of 3.5 is considerably higher than the 3.1 figure mentioned by Mr. Towers. But, far from the people of Canada accepting 3.5% with equanimity, we have seen in this house this afternoon various members reporting from their constituencies the very serious plight of a large part of the working force of Canada. That leads me to the conclusion that those who speak in this vein—and may I say that it seems to me that those who speak in this vein are in essence supported by both the government party in this house and the official opposition and even more stridently by the Social Credit party—are prepared to have this type of unemployment as a means of keeping the economy going and putting the burden onto other people.

Some while ago I read the report of a speech made by one of the most eminent members in this chamber; I refer to the hon. member for Algoma East. It was a speech made shortly after the arrival of sputnik I on the horizon. During it he made this

remark—and he will correct me if I have it incorrectly—or said something to this effect, that it now appears obvious that our social and economic organizations did not fit us to keep pace with the Russians. He qualified that statement later by saying that of course, even though it did not fit us to keep pace with the Russians, it was much to be preferred to that of the Russians and was much superior. It struck me, however, as a rather hopeful sign that a gentleman of his eminence should be prepared now in public to state that perhaps the time has come for a serious overhaul of our economic and social organization.

Mr. Pearson: Will my hon. friend tell me when I am supposed to have made those strange observations?

Mr. Cameron: I must apologize for not being able to do so because I did not clip out the article. But I will get it for the hon. member. I will admit that I was very much surprised to read it.

Mr. Pearson: So am I.

Mr. Cameron: I will get it for you; I have it in my office. It may be, of course, that the hon. member had a much more limited definition of the term "social and economic organization" than that which I have. But, as I say, that struck me as a hopeful sign. Apparently I was altogether too optimistic and my suspicions are confirmed that the Liberal party is as sunk in the past as is the Conservative party and is prepared to go on in the face of the growing evidence that we are now coming back full circle to where we were some 20 years ago.

I would suggest, Mr. Chairman, that rather than continue to amend the Unemployment Insurance Act—I welcome this amendment but I am perfectly sure the Minister of Labour will be back in a few months with another amendment—it might be better to take some positive steps to solve at least temporarily the situation in which we are rapidly finding ourselves today. We used to hear some years ago about the former Liberal government having on its mantle shelf a whole shelf of public works that were going to be embarked upon the moment the economy began to sag. I guess a careless housemaid must have cleared off that shelf and thrown it into the ash can because we have not heard of it for some time.

Mr. Sinclair: What about the seaway?

Mr. Cameron: That has finally to come.

Mr. Sinclair: We finished that up.

Mr. Cameron: No.

Mr. Sinclair: What about the pipe line?

[Mr. Cameron.]

Mr. Cameron: Are you mentioning the pipe line?

Mr. Sinclair: I did.

Mr. Knowles (Winnipeg North Centre): The Saskatchewan dam.

Mr. Sinclair: That is theirs. December 10 is the deadline.

Mr. Cameron: I would suggest that this government should seriously consider the necessity of laying plans for a large body of public works. I would suggest something else, too, that it is time we considered placing contracts for capital equipment for the undeveloped areas of the world on much the same basis as we have been placing contracts for the production of defence equipment which now, apparently, was money down the drain.

Those are two methods I would suggest, Mr. Chairman, whereby this government could at least temporarily stem this tide that seems to be rising all across the country. While I am certainly glad to welcome this amendment to the Unemployment Insurance Act, I am afraid that although it does reveal the fact the government is really uneasy about the unemployment situation, it reveals also the fact that the government has not the foggiest idea what has caused it or the slightest idea how to cope with it.

Mr. Blackmore: Have you?

(*Translation*):

Mr. Ricard: Mr. Chairman, representing as I do an industrial constituency, it will come as no surprise to you to hear me speak on a matter concerning the working people.

I am certainly quite happy to express to the Minister of Labour (Mr. Starr) as well as to the Conservative government the approval of the working people with regard to this measure which proposes to increase from 16 to 18 weeks the period during which benefits will be paid during the winter.

Over the past few weeks, we have heard hon. members from the other side of the house, Liberal members, speak of the situation of the workers in very lugubrious tones indeed. However, they have forgotten to say that a situation such as this does not spring overnight. If in certain parts of this country at this time there are a few areas where unemployment is prevalent, it can be attributed to the lack of foresight of the former government. It is from the former administration that we have inherited the situation facing us at this time.

However, it is of good omen that the Conservative party be called upon to deal with the situation. Every time this nation

has found itself in more or less difficult situations, it has turned to the Conservative party. I am happy to be a member of this party and to have the opportunity of helping my colleagues solve this problem which we inherited from our predecessors because of their lack of vision.

Workers in various centres will certainly be happy to learn that the benefits have been extended from 16 to 24 weeks under a Conservative government. In my own constituency of St. Hyacinthe-Bagot, official figures show that unemployment, far from increasing, has been decreasing.

Official figures which I obtained from the St. Hyacinthe unemployment insurance office show that last June there were about 1,500 unemployed registered at the local employment office. On October 31st last, always according to the figures from the unemployment insurance office in my district, this number was down to 1,100, which means a decrease of about 400 since we came to power in June last.

I would therefore like to draw the attention of this house and also of this country to the fact that the Conservative party is not the party of hunger, the party with a short memory or the party which spreads hardship everywhere but rather the party which can sympathize with human need, the party whose members all join here together trying to bring a solution to the problems left to us by our predecessors. In this, I choose to see evidence of the great satisfaction and also the great confidence we have in our Minister of Labour and in the Prime Minister of Canada (Mr. Diefenbaker).

I thank you, Mr. Chairman.

(*Text*):

Mr. Murphy (Westmorland): Mr. Chairman, I am pleased to take part in this debate this evening. I do not wish to delay the passage of this resolution,—

Some hon. Members: Hear, hear.

Mr. Murphy (Westmorland): —but for the information of the members who just spoke I would tell them that the reason I must take part in the debate is that one of the cabinet ministers stated, during a visit to Moncton, that it was strange we have heard no effective protest in the House of Commons from the member of parliament for Westmorland on behalf of the residents of that area. The minister was referring to the Canadian National layoffs. If I were to resume my place and not say a word in this debate, then I would be open to criticism from the Minister of Transport who made that statement in Moncton about a year ago.

I should like to commend the Minister of Labour for introducing this resolution so quickly. We know that the minister is one of the most sincere members we have in the government. I know that when I remind him of some of the things he omitted from this resolution he will take note of them and perhaps give greater thought to the policy of his party than some of the members on the treasury benches. I should like to bring to the attention of the minister what his party said they would do when they were elected. Again I am reading from the Diefenbaker national policy, which some members of the cabinet seem to regard as being unworthy of merit when inquiries are made about it. I am reading to the minister from the new national policy, verbatim quotations from the speeches of the Prime Minister, and on page 7 it says:

> The Progressive Conservatives are convinced now, as always, that the free enterprise system coupled with effective free trade unions, offers Canadian labour the best assurance of opportunity, security and highest possible standard of living. To attain this end we shall—

And among other things it says:

> Improve unemployment insurance legislation to include: Coverage for greatest number of wage earners; increases in benefits and allowable earnings; extension of benefit period to 52 weeks; elimination of waiting periods; prompt payment of claims;—

Some hon. Members: Hear, hear.

Mr. Murphy (Westmorland): Those people who are now applauding this statement should recall that this afternoon the minister told us about waiting periods. I would advise those members to take a very serious view of this matter because I think many of them will be laid off after the next election.

Mr. Baskin: Speak for yourself.

Mr. Murphy (Westmorland): Furthermore, I may tell them a little more about their party.

Mr. Broome: We are ready.

Mr. Murphy (Westmorland): They do not seem to know what the policy of their party is or the statements their minister made in the past year.

Mr. Baskin: You are reading the policy.

Mr. Murphy (Westmorland): Just take it easy.

Mr. Baskin: You take it easy.

Mr. Murphy (Westmorland): I would pass on to you a few gems of wisdom that were given out by your own Minister of Transport. There is a clipping in a newspaper report of a speech by the Minister of Transport while he was in Moncton, New Brunswick.

Mr. Baskin: You are the only man in your family who went astray.

Mr. Murphy (Westmorland): The hon. member for Renfrew South—

Mr. Baskin: Right.

Mr. Murphy (Westmorland): —should enjoy himself while he is in the House of Commons because it is felt that his stay will be a very short one.

Mr. Baskin: Thank you.

Mr. Murphy (Westmorland): The Minister of Transport visited Moncton as president of the Progressive Conservative party and the headlines of this article says:

P.C. party head raps recent C.N.R. lay-offs here.

But he goes further than that. He went into unemployment insurance while in Moncton as follows:

The unemployment insurance fund amounts to a billion dollars today and was built up by the workers and their employers to tide over the working people while they are out of work. The government, therefore, has adequate resources in the unemployment insurance fund to continue to pay unemployment insurance benefits to workers who have exhausted their credits, and it is therefore the responsibility of the federal government at Ottawa to continue to pay unemployment benefits to those who are out of work and through no fault of their own are unable to find a job.

Now listen very carefully.

Mr. Baskin: We will.

Mr. Murphy (Westmorland): To continue:

He emphasized that the only permanent unemployment insurance was a job and that that was what every Canadian wanted—

Now that was the thinking of the Minister of Transport when he was the head of the Progressive Conservative party; not payments, but a job for every Canadian. At that particular time he even went on to tell us why we had no jobs in the Moncton area, as follows:

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. "But", he said, "it is a very serious blow to the Moncton area".

Mr. Baskin: You are the biggest blow to the Moncton area.

Mr. Murphy (Westmorland): The hon. member for Renfrew South is quite an orator while he is seated. Now since this government has taken office, in fact just a few weeks ago, I brought to the attention of the Minister of Transport a similar situation. At that time the Canadian National war veterans association wrote to him telling him—they also sent a copy of their letter to me—that thousands of dollars worth of valuable machinery was being dismantled in the Moncton shops and being taken to other places. The minister said he would look into it and we have heard nothing since. Now we have lay-offs in Moncton in the order of 110 men at one time, and a further 50 in the running repairs shop. Because we have said something about these lay-offs, they have taken a new approach and now, very quietly, they are laying off half a dozen at a time about every week or second week from the Moncton shops. Thus they are quietly putting them out of a job by the back door.

Now the Minister of Transport met with the management and said there would be certain moneys available to assist these persons. I have asked him how much of this money would be available to assist in a works program in the Moncton shops for the relief of these men. I asked him where the money was coming from—from what authority—and one day I almost got an answer. He stood up in his place, smiled and got ready to answer when that little man, the Minister of Finance, told him to sit down and I haven't got an answer from that day to this.

An hon. Member: You mean a big man.

Mr. Murphy (Westmorland): In the meantime our men are walking the streets of the city of Moncton and then, to add insult to injury the government and the management of the C.N.R. threw the whole thing back into the lap of the unions and blamed them for the unemployment situation, in particular they blamed the seniority system.

I am told that press dispatches say that this works program would be set up in the Moncton shops for the manufacture of cars. This was made known to the unions who met with management and objected to the men from other crafts being taken on in the car ships while the carmen were still being laid off. There was no disagreement among the different crafts at that time but it was just another attempt on the part of management, which in turn is controlled by this government, to smash the unions of the Canadian National Railways shops in Moncton.

I have also brought to the attention of the house a resolution from the machinists lodge in Moncton suggesting that they are working seven days a week to expand that shop and make switches and frogs, not only for the Atlantic division, but also for other divisions. It would seem that although the government put on a good show with relation to the C.N.R.—in fact we had a big celebration in Moncton recently when the Minister of Transport was down there—

Mr. Baskin: After June 10.

Mr. Murphy (Westmorland): That's right; that's right, but the hon. member should wait

until he hears the rest of it. We were celebrating the 100th anniversary of the opening and the operation of the railway from Saint John to Shediac and the next day they laid off 100 men to mark the occasion. Last week they were rejoicing in the northern part of the province, when they had a real Conservative rally, the opening of the C.N.R. spurline. The Minister of Veterans Affairs was there with a C.N.R. trainman's cap on his head—

An hon. Member: It was a good picture.

Mr. Baskin: Were you there, "Murph"?

Mr. Murphy (Westmorland): I said it was a Conservative rally. The premier of the province of New Brunswick was there with another C.N.R. cap on—

Mr. Broome: Were you there?

Mr. Murphy (Westmorland): I was not invited if the hon. member for Vancouver South would like to know; if I had been invited I would have gone. At that time the Minister of Veterans Affairs pulled the switch and the premier of the province took control of the engine and drove it down to the mines. Premier Hugh John Flemming and the Minister of Veterans Affairs seem to be the only two who would be secure in the employment of the C.N.R. There are men being laid off by the C.N.R. who have given 17 years of service and who have contributed to this fund for that length of time and I think the government should make provisions to safeguard this fund so that it will not be depleted because, in a few years, there will be more men laid off by the C.N.R.

They are building a railway yard down in Moncton and, as hon. members may remember, I asked the Minister of Transport about it. He said he was not aware of the project but they are building that yard. That is a step towards automation and undoubtedly men will be laid off who have given 18 or 19 years of contributions to the unemployment insurance fund. It would be tragic if the fund was depleted and these people could not draw the benefits to which they are entitled.

Now besides those people who are registered unemployed there are a great number who are not registered, people who have been working for themselves in the woods cutting pulp and other forest products, and they do not draw employment insurance benefits. And when we think back to the promises made by supporters of the present government during the election campaign I think it is time this government got under way a constructive program of capital projects to assist these people who draw no benefits whatsoever.

I have suggested already to the house the building of the Prince Edward Island causeway and the Chignecto canal and, of course, I expect the support of the Minister of Veterans Affairs with regard to this latter proposal because he supported it on many occasions. The hon. member for Saint John-Albert had this to say on May 23:

> John G. Diefenbaker, Q.C., the national leader of the Progressive Conservative party, on May 3 here, in Saint John, discussed the merits of the canal and joined the long list of its promoters. I am pleased to associate myself with his remarks on that occasion.

I wonder if the Prime Minister takes as much interest in this project now as he did when he was in New Brunswick last June? I would also suggest to the Minister of Public Works that a certain portion of the money to be made available for housing should be earmarked or allotted to the maritime provinces because when the last $150 million was made available we know, according to the reports, that less than one-half per cent of that $150 million was received by the maritimes. But, of course, when people are not working they do not have any down payment to enable them to take advantage of these loans.

All these matters which were so seriously debated last year should be remembered at this time. We had a very rosy picture painted to us of what this country was going to be like when the Conservative party took office. We had candidates going over the country holding rallies. Here is an advertisement from the Moncton *Times* of June 8, an advertisement inserted by the Kent county Progressive Conservatives calling for a rally. It says: "Fun for All". I wonder how much fun for all there is in Kent county today when they cannot sell one cent's worth of pulpwood?

And again there was a Conservative rally in Shediac, New Brunswick, run by the Progressive Conservative association—

An hon. Member: What about Beechwood?

Mr. Murphy (Westmorland): I will tell you about it, sure. We have to pay $1,300,000 in interest the first year back to the federal government though they have given interest-free loans to the west—

As I was saying, we have an advertisement here for the Progressive Conservative party which says: "P.C. rally in Shediac—Come and See the Magician". That was during the second visit of the present Prime Minister. Now it is time the magician came to perform some of his magical works.

An hon. Member: He is.

The Chairman: Order.

Mr. Murphy (Westmorland): Terrifically talkative members over there.

Mr. Baskin: What did your opponent say in the last campaign, Murph?

Mr. Murphy (Westmorland): Probably helping you in Renfrew South.

When the 33 Conservative members met in Moncton they drew up the Atlantic resolutions. I have asked about these Atlantic resolutions and, I was told, of course, that these matters which would help the employment situation were taking up the time of the house, that these questions should not be asked and did not merit answers. But I wish to commend one of the Conservative members from the maritime provinces—

Some hon. Members: Hear, hear.

Mr. Murphy (Westmorland): It is easy to get a hand now, isn't it? —and that is the hon. member for Pictou. The hon. member for Pictou placed on the order paper a resolution dealing with the Atlantic resolutions for the decentralization of industry and the establishment of crown corporations in the maritime provinces. Of course, that would assist us in dealing with the unemployment situation. Also the resolutions called for discussion of special fiscal considerations to provide encouragement for industries who locate themselves in that area.

Mr. Broome: What about the $20 million Atlantic aid?

Mr. Murphy (Westmorland): I certainly will support the hon. member for Pictou in his resolution, and I hope that when he brings this matter up in this house it will not be treated as a joke as it was treated when I asked the Prime Minister a question about it, as something which takes up the time of the house unnecessarily. To the parliamentary assistant to the Minister of Agriculture I would say that parity prices for potatoes for New Brunswick growers would be more in his line than to ridicule the decentralization of industry and helping industry in the maritime provinces.

These are some of the ways in which employment could be assisted in the maritime provinces. I was referred by the Minister of Finance to the speech from the throne with regard to the special fiscal considerations for private enterprises. He did not understand them at first, but then he referred me to the speech from the throne. I hope he will not refer the hon. member for Pictou to the speech from the throne when this matter comes up for discussion.

Besides these people in Kent county I spoke of there are those in Albert country represented by the parliamentary assistant to the Minister of Trade and Commerce, many of whom work in Moncton with the C.N.R. and other industries in that area. The hon. member for Saint John-Albert held rallies there in May and June, and the advertisement for the rally on June 6 speaks of refreshments. I wonder if he is prepared to go back to Albert county and offer those people ice cream instead of jobs.

This resolution is a move in the right direction. However, I will commend once again to the Minister of Labour the new national policy outlined on page 7, article 5, so that before this measure goes through the house he may have an opportunity to broaden the resolution so as to include the matters contained in the Diefenbaker doctrine.

(Translation):

Mr. Laflamme: Mr. Chairman, I wish to take part in this debate for a few moments only in order to express my gratitude to the Minister of Labour (Mr. Starr) with regard to the amendments he is bringing forward concerning the present Unemployment Insurance Act.

Like those who have taken part in this debate before me, I do wish however to express the fear that the suggested amendments may not be precisely those which we would have liked to be brought to this act, at least with regard to the area I represent in this house. On the few occasions when I have had the opportunity of speaking about this matter in this house, I have expressed the views of my constituents in this connection. I have asked, above all, for the decentralization of unemployment insurance offices and, then, for the simplification of the procedures to be complied with in order to obtain benefits.

I realize, Mr. Chairman, that when this proposed resolution has been adopted, the amendments will allow a certain number of people to receive benefits to which they would not have been entitled otherwise. According to the figures quoted by the minister, the number of people thus involved will range between 30,000 and 40,000.

I respectfully submit Mr. Chairman, that one of the amendments which had been forecast and which hon. members were expecting concerned the qualifications of claimants, a provision which will be found in section 50, subsection 2 of the legislation. The amendment I have in mind would have reduced at least from 15 to 10 the number of stamps required for qualification in the case of those who claim unemployment insurance benefits.

Like the hon. member for Beauce (Mr. Poulin)—his constituency is nearly adjacent my own or, at least, has the same general living conditions—I will state that those who have been most seriously hit in previous years

by unemployment are in the first place workers in the construction industries and then bushworkers.

If it is recognized that there are unemployed people at this time in these two classes of workers, we also know that a great number of those workers have not worked long enough since March 31 to accumulate a sufficient number of stamps to make them eligible for the benefits and, consequently, they will not be helped by the improvements in the act, as they nevertheless might have hoped to be.

Another point on which I wish to draw your attention, Mr. Chairman, is the state of emergency which is invoked for the presentation of this bill. To my mind, it is somewhat contradictory to propose an amendment to the act presumably because of a state of urgency and not providing that this amendment is only for a temporary period.

According to information given us by the minister, the amendments to this act will cost the unemployment insurance fund at least 15 million dollars and most likely a still greater amount. It means that the present unemployment situation is not normal and that, as the case of the unemployed people is to be considered as a whole, the amendments must be helpful to the majority, whatever their effects on the fund, even if afterwards the fund has to be brought back to its present level.

A short while ago I heard the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) say that the Conservative party was not the party of unemployment and hardship. Well, I say to him that if he wants to place the blame for unemployment on a political party, the Liberal party has many achievements to its credit. During 22 years, as was so well said by the former minister of fisheries (Mr. Sinclair) a few moments ago, the Liberal party, through the numerous social security measures which it has introduced, including this Unemployment Insurance Act which now serves as an expedient to the Conservative party to cope at least in part with the present serious situation, has not been a negative but a truly positive party. Without all the measures which have been introduced by the party to which I belong, I wonder in what situation the population of the whole of Canada would be at the present time.

Mr. Ricard: Mr. Chairman, on a question of privilege. Does my hon. friend allow me to ask whether the Conservative party, in the light of the legislation which it has now introduced, is a negative or a positive party?

Mr. Laflamme: I do not mean that the Conservative party, because it is introducing that legislation, is a negative party. I do not complain about that. I say that my hon. friend, in referring to his party at the end of his remarks, stated that it was not such and such a thing; therefore, his party is perhaps a negative party. I wish also to point out to him that the proposed amendments to the Unemployment Insurance Act are possible only because, under Liberal governments, we have lived through periods of prosperity which have made it possible for the contributions paid to the unemployment insurance fund to reach about a billion dollars.

Mr. Ricard: Mr. Chairman, would my hon. friend be kind enough to answer my question?

Mr. Laflamme: I cannot tell whether the Conservative party is a positive or a negative party but I am sure of one thing—

Mr. Ricard: Please answer my question.

Mr. Laflamme: I told you that I did not know; moreover, it is not for me to pass judgment on that.

Mr. Habel: Supremely negative!

Mr. Laflamme: I can simply tell my hon. friend that he himself mentioned a moment ago that his party was not the party of hardship and unemployment.

Let me also tell him that people are interested not so much in what a party is not as in what a party has done, and I repeat what I said a few moments ago, i.e. that if all the legislation now enjoyed by the people did not already exist, depression and hardship would be upon them. Now, all this legislation has been introduced and passed by Liberal governments and not by the Conservative party.

Mr. Ricard: Never has the Conservative party—

Mr. Laflamme: I want to say this to my hon. friend.

The Chairman: Order! I would remind hon. members that when the house is in committee of the whole, the matters discussed must be related to the resolution before the house.

Mr. Laflamme: Very well, Mr. Chairman.

I was just pointing out the effects of the present amendments, when they are adopted, upon the invested capital of the unemployment insurance fund.

I want to remind the hon. minister that if those amendments are such as to decrease the unemployment insurance capital fund, these amendments must be temporary. Otherwise, it would be an admission that the present government is unable to foresee that they will

be able, within the next few months, to meet the situation which is leading to unemployment all over the country.

The Unemployment Insurance Act, I must remind my hon. friend from St. Hyacinthe (Mr. Ricard) is Liberal legislation of which the Conservative party is taking advantage in order to face the population. Since the introduction of the Unemployment Insurance Act, the fund has greatly and continually increased, and this offers a guarantee both to the employers and employees for the years of depression which may occur.

Mr. Ricard: Would the hon. member allow me a question?

How many unemployed would there be if the Liberal party were sitting on this side of the house?

Mr. Laflamme: Mr. Chairman, I will answer my hon. friend on that point. There have been two main causes as far as I can see, and as far as many people can see, there have been two great things...

Mr. Ricard: There has been June 10th.

Mr. Laflamme: ...which brought about unemployment. First, the fact that the Conservative party has come to power; and, secondly, the fact that this same Conservative party is unstable.

Mr. Ricard: If you think we do not have the confidence of the people, then go ahead and vote against the government.

Mr. Laflamme: Even if the Conservative party had gained power with a comfortable majority, it would have left in the minds of the people bitter memories...

Mr. Ricard: You are still not answering my question.

Mr. Laflamme: Mr. Chairman, in closing I would simply suggest once more to the house that we have here, I think, a most important law and a serious situation, and I do not see why we should not be able to discuss it fully, so that each member may be able to express his opinion about a tragic situation now prevailing throughout the country, that is, unemployment.

I want to tell the hon. minister, while commending him for the amendments he introduced, that they unfortunately do not do much for the construction workers, nor for the bushworkers of my county, who, at this time are jobless.

It might perhaps have been better if the unemployment insurance commissioners and the Minister of Labour had increased the number of those entitled to benefits, as was done during a period of prosperity, i.e. last year, so that a proportional number of unemployed might benefit this year under this legislation. Thus more jobless people would get greater benefits this winter, and the number of beneficiaries would not be smaller than during the years of plenty.

Mr. Landry: Mr. Chairman, it was with great interest that I listened this afternoon to the explanations given to the house with regard to this measure which I would call emergency legislation designed to relieve unemployment. I do not think that we should entertain any illusions about this for, in spite of the optimistic statements of the Minister of Finance (Mr. Fleming) unemployment is becoming a national danger and we have every reason to feel anxious about it.

Naturally enough, as this measure comes up for discussion, I feel I should recall briefly that in my first speech in this house on October 18 last I referred to this unemployment problem which is possibly more serious in my constituency of Dorchester than anywhere else in the Quebec area. At the time I had reminded hon. members of the fact that the working people who make up my constituency are, for the most part, farmers who because of the poor quality of the land, find it necessary to work several weeks a year in the forests of Quebec and often also in those of the United States.

The minister is not unaware of the fact that lumbering operations on the Canadian side of the border have been reduced. According to information at my disposal I believe I can state that it has been reduced in the proportion of 60 per cent. On the other hand certain American companies have even decided this year to close down operations entirely. All this has had in my constituency results which are not difficult to imagine, that is, increasing unemployment and great anxiety on the part of hundreds of heads of families on the approach of winter.

It is for those reasons that in the very first days of the session I respectfully submitted to the government the urgency of amending unemployment insurance legislation in order to relieve that unemployment. I had also suggested that these seasonal benefits be paid as of December 1 and I am happy to note that the department has lengthened the period provided by adding a month at the beginning and another month at the end. I know that that particular aspect of the legislation will be greatly appreciated in my constituency as well as in every other working constituency in Canada. Unfortunately, I regret that the minister did not see fit to accept my second suggestion which, in my humble opinion, was far more important than the one dealing with the extension of benefits.

I had in fact expressed the opinion that the government should lower from 15 to 10 the number of contributions required for qualification for the seasonal benefits and I notice with great disappointment for the unemployed of my constituency that this was not considered favourably. I regret that the government did not see fit to adopt this suggestion all the more so because I believe that a measure such as the one just proposed by the Minister of Labour misses the objective—completely in our case and partially elsewhere—which the minister no doubt had in mind.

The measure as proposed will not unfortunately have the good effects which a reduction of the required contributions would have had for my constituents because most of our unemployed, as a result of lack of work in the lumber camps, have been unable to accumulate enough contributions to qualify for seasonal benefits.

And we will have a rather sorry situation where a measure intended, in short, to assist the unemployed will precisely penalize those people for not having accumulated enough contributions.

I notice with pleasure in this proposal that the minister took into account the special situation of an important part of our population, namely the fishermen. Without knowing all the details of the measure, I believe it will be highly appreciated by this class of Canadian workers. However, I am still wondering why the Minister of Labour did not consider proposing an improvement in favour of our farmers by the repeal of the section of the Unemployment Insurance Act which requires them to pay 22 contributions or at least to prove that they worked outside the farm for at least 22 weeks in order to qualify for the seasonal benefits.

Allow me, Mr. Chairman, to suggest to the hon. minister to take in serious consideration these few remarks and to alleviate, as much as possible, the distress which is now felt in this country. I have welcomed the recent statement of the hon. minister about the changes made to the unemployment insurance regulations concerning married women. But this is not the most serious problem, in my view, and it would have been much more important to consider the case of the heads of family and of the farmers of our rural areas.

Naturally, Mr. Chairman, we all know that such a measure is but a temporary remedy. It will not settle at all the serious problem of unemployment, let alone relieve the government of its obligation to take the necessary steps to cope with unemployment. The Canadian worker will accept this expedient but would prefer a tonic which would restore his health.

I have received today a copy of a letter addressed to the hon. Minister of Labour by Mr. Philip E. Smyth, representative of an international organization. This letter was accompanied by a copy of an article published in a Washington newspaper and announcing that a conference between representatives of the United States and Canada would meet in Ottawa, on December 1st next, to study Canadian-American affairs, particularly from the economic point of view. May I express the wish that, in the course of that meeting, the hon. Minister of Labour will succeed in coming to an understanding with the authorities of the States of Maine and New Hampshire on the question of reciprocity in the matter of unemployment insurance so that our Canadian workers who must earn their living in the neighbouring country but who, nevertheless, are Canadian taxpayers, can benefit from our Unemployment Insurance Act when they come back home on account of a shortage of work. May these few suggestions convince the hon. Minister of Labour that we are following with much interest and anxiety, on behalf of our electors, any forward move that may be made to improve our Unemployment Insurance Act which, in view of the urgency of the present situation, is necessarily inadequate and ineffective in some areas as hard hit as my constituency.

(*Text*):

Mr. McMillan: I am very much in favour of this resolution which provides for a bill enabling the government to make payment of seasonal unemployment benefits starting December 1 instead of January 1. I might say that I am sorry indeed that the government finds it necessary to have seasonal unemployment benefits extended. In the 1955 session I had a resolution on the order paper suggesting higher regular unemployment and supplementary benefit payments under the Unemployment Insurance Act. At that time my resolution was superseded by amendments to the Unemployment Insurance Act introduced into this house by the government.

I may say that at that time there was considerable unemployment in my riding and I even came into the house and dared to use the word "unemployment". I might say that in speaking at the resolution stage of that bill I referred to unemployment several times and my repetitious use of that word

"unemployment" was exceeded only by those now sitting on the government side of the house. I might say that a week or two prior to that time the present Minister of Labour expounded at great length on unemployment and the perils of unemployment. I think he was referring to Oshawa at that time.

At that time, as may be found in *Hansard*, I said that responsible heads of municipalities, heads of unions and others came to me complaining about the inadequacy of the Unemployment Insurance Act, which representation I brought here to parliament. These same heads of municipalities and these same heads of unions are coming to me now complaining that many of these unemployed workers cannot get any unemployment insurance benefits. They tell me now that unemployment will become worse as the winter progresses. I thought I heard the Minister of Labour say the other day that unemployment might even reach the half-million mark. I may be wrong in that figure but I have seen other references saying that unemployment might reach the figure of 750,000.

I maintain that unemployment insurance figures as announced in this house do not present a proper picture of the situation. In parts of my riding there are people who are working part time; they work two or three days a week and they are not classified as unemployed, but they have a hard time to meet their financial obligations. Our unemployed and those on short time have certain fixed obligations which they must meet. They must meet rent, heat, tax, insurance and public utility bills. These costs must be paid because they are fixed. Some have bought new homes and furniture on a monthly payment plan. In my part of the country foreclosures on mortgages and seizures by the bailiff of furniture and so on are beginning to appear. These actions certainly do not assure others who feel that they are approaching the same condition financially.

One aspect in this whole matter is that with all of them the family budget is tight and the amount that is left for food is much less than it used to be. I think we should see that our people, particularly our children, have adequate food—an adequate, nutritious diet—in order that they may have maximum health. At that time I argued against cutting off seasonal unemployment insurance benefits as of April 15. I thought at that time that we would have a considerable number of unemployed on that date, but employment conditions improved and by April 15 we did not have so many as had been predicted here in the house. April 15 was close at hand and that is why on April 4 a good many members in this house argued for the extension until May 15. Likewise, at this time when unemployment is mounting, I am very much in favour of advancing this date to December 1 when supplementary payments may begin.

In Canada, because of our climate, we are bound to have considerable seasonal unemployment. I think, too, that in our free enterprise system—and in fact in almost any system—we are bound to have some ups and downs in unemployment. A good part of our economy depends on world trade. I therefore think our government should do very little to interfere with the free flow of trade. Our government has sent a very expensive trade mission to Great Britain. Its purpose is to purchase only, as announced by the high commissioner in London, and it was announced in this house that its purpose was chiefly to buy. I can assure you that the unemployed in my area are more interested in helping to make things that they can sell than in buying something that they cannot pay for.

The members of the government when in opposition always talked about processing our own raw materials. Not once since I have been here this session have I heard any member of the government say anything about the fabrication of our raw materials. The former leader of the Conservative party, Mr. Drew, two or three times every session, I believe, talked about the processing of our raw materials. Certainly he gave that as one of the ways in which to cure unemployment at the time of the debate we had in April, 1955.

I am in favour of doing all we can to trade with Great Britain but all the articles that I read in the papers say that there is little or no unemployment in that country. I was a little bit surprised when the leader of this buying trade commission to Great Britain placed a good will order of $10 million in that country for certain hydro materials, and this at a time when we have unemployment in Peterborough, Hamilton, Toronto and the Niagara district where hydro have placed orders for their requirements in the past. I should like to have from this government some assurance that when we in this country buy British manufactured articles and Britain earns Canadian dollars she will spend those dollars in the purchase of our wheat and of our other raw materials. When I say this I have in mind the fact that while the Minister of Trade and Commerce was in Britain this fall, wheat was bought from the United States but I understand that no wheat was bought here in Canada.

We live in a country rich in natural resources and I think that this government

is admitting defeat when they introduce this sort of legislation to look after unemployment. Surely, this is an indictment of the government that promised Canadians almost everything under the sun at election time. I think instead of having to extend this insurance measure, the government should find jobs for our people.

Mr. Cannon: As we are getting very close to ten o'clock, Mr. Chairman, my remarks will be very brief and to the point.

Mr. Bell (Saint John-Albert): They will not be to the point.

Mr. Cannon: I wish to congratulate the minister upon the clear manner in which he introduced the legislation we are studying here this evening. I am sure he is one of the most hard-working ministers in the government. I can only say that I sympathize with him because it seems that the harder he works the less work there is for other people. It seems very unjust, but that is the fact.

I do not have to tell you, Mr. Chairman, or the members who have been in this house with me over the last few years, how pleased I am with this legislation. It will be of great benefit to the fishermen of my constituency. Most of the workers in my constituency are fishermen, and as fishermen they get seasonal benefits. This resolution, and the legislation that will follow, will greatly increase those benefits. There is one point I wish to stress in particular, and that is if it had not been for the legislation introduced last year by a Liberal government and by Mr. Gregg, the former minister of labour, which placed fishermen under the action of the Unemployment Insurance Act, then this legislation that is being introduced tonight would have been of no benefit whatever to these fishermen. It was legislation that I had advocated over the last six or seven years. I say to the fishermen of my constituency and to the fishermen of Canada that in appreciating these amendments they should not forget the fact that if they benefit from them it is due to the fact that last year a Liberal government placed them under the Unemployment Insurance Act.

I wish to associate myself with the remarks made by the hon. member for Coast-Capilano when he said that the attempt of the government to remove a great section of our purchases from the United States and divert them to Great Britain could have disastrous effects on our fishing industry. All hon. members know how close our fishing industry came to being faced with an embargo from the United States. As the hon. member for Coast-Capilano said, it would be disastrous if such an embargo were applied, and it may be if the present government continues the policy it has started.

Mr. Broome: May I ask a question?

Mr. Cannon: I have no time for questions; my time is very short. We are now very close to the adjournment hour and this legislation should pass today if at all possible. I shall curtail my remarks at this moment, but I wish to repeat that if these amendments are of benefit to the fishermen of Canada it is due to the legislation that was passed last year by the Liberal government.

Mr. Breton: I am pleased to be able to congratulate the minister upon these benefits, and I shall be very brief on this subject. I just want to draw the attention of the minister to two complaints that have often been received from my district. The first is with reference to article 47 which fixes the weekly benefit for the unemployed on the basis of the average weekly contributions for the last 30 weeks. It often happens that some people who are employed on an hourly or day-to-day basis, and who earn more than $60 a week, suffer from the fact that during the last 30 weeks they have missed a few hours or a few days work and so their average is lower than it should be. It seems to me that in such cases the average should be based on more than 30 weeks, and perhaps the unemployment office could take into account the previous year, if there are enough stamps for that.

Another complaint I receive often arises from the fact that in our district some people are obliged to work for farmers. In those cases they are losing the benefit of the stamps. Would it not be possible to amend the law so as to enable people who desire to pay for their stamps to do so, even if the farmers themselves are not obliged to pay for stamps. There should be a system to enable these employees to pay for their stamps if they so desired, so that they would be entitled to the benefit of insurance.

Resolution reported and concurred in.

Mr. Starr thereupon moved for leave to introduce Bill No. 171, to amend the Unemployment Insurance Act.

Motion agreed to and bill read the first time.

Unemployment Insurance Act

Mr. Speaker: When shall the bill be read a second time? By unanimous consent, now?

Some hon. Members: Agreed.

Hon. Michael Starr (Minister of Labour) moved the second reading of Bill No. 171, to amend the Unemployment Insurance Act.

Motion agreed to, bill read the second time, considered in committee and reported.

Mr. Speaker: When shall this bill be read a third time; now?

Mr. Knowles (Winnipeg North Centre): By leave.

Mr. Starr moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Chevrier: Could I inquire of the house leader what will be the business tomorrow?

Mr. Green: Tomorrow is private members' day.

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:

KINGSTON, ONT. RAILWAY STATION

Question No. 69—**Mr. Henderson:**

1. What continuity in progress is there to establish a new railway station at Kingston, Ontario?
2. When will the site be purchased?
3. When will the new railway station be completed?
4. What use will be made of the present railway station site?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

1, 2, 3 and 4. The management of the Canadian National Railways advise that the facilities at Kingston are at present under review.

CORNWALL, ONTARIO, AIRPORT

Question No. 109—**Mr. Lavigne:**

1. Has the government been asked to build an airport in the city of Cornwall?
2. If so, has the site been approved by the officials of the Department of Transport?
3. What was the cost of such project?
4. What contribution would be made by the Department of Transport and what contribution by the municipality?
5. Has the item been placed in the estimates of the department by the previous administration, and if so, for what amount?
6. What progress has been made towards the construction of such an airport?
7. In view of the importance of the city of Cornwall and its strategic location on the seaway, will the government consider providing the facilities of both land and equipment for such an airport?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

1. Yes, on the basis of a tentative approach by the city.

2. Yes.

3. No detailed estimate of the cost has as yet been made.

4. The Department of Transport would construct the runway or runways provided the municipality purchased the land and agreed to administer and maintain the airport and provide any necessary buildings.

5. Yes, $5,000 for investigation purposes.

6. None, as the municipality has not yet indicated that it wished to proceed.

7. It is not considered there should be any deviation from the present policy in cases of this nature of requesting municipalities to provide the necessary land and operate the airport after construction.

DISABLED PERSONS

Question No. 119—**Mr. Christian:**

How many persons at the present time are totally and permanently disabled within the meaning of the Disabled Persons Act and the disabled persons regulations, P.C. 1954-1831?

Answer by: **Hon. J. W. Monteith (Minister of National Health and Welfare):**

Persons receiving allowances under the Disabled Persons Act numbered 35,540 as at September 30, 1957. Such persons had been medically certified as being totally and permanently disabled.

The regulations under the act were amended by order in council P.C. 1957-715 of May 27, 1957. Among other changes, the definition of "totally and permanently disabled" was revised, to take effect July 1, 1957, 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."

LANDING FIELD GRANT, ATHABASCA

Question No. 156—**Mr. Dechene:**

1. Has the director of air services for the Department of Transport at Edmonton made any recommendation relating to a grant for the completion of a landing field north of the Athabasca river and the town of Athabasca?
2. If so, when will these recommendations be acceded to and the grant made?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

1. A report has been received from the departmental district headquarters in Edmonton regarding the request for assistance to a landing field near Athabasca. It is not, however, customary for the department to reveal the views of individual members of the department either for or against individual projects.

2. This report is still receiving consideration by the department.

FEDERAL BUILDING, EDMONTON

Question No. 174—**Mr. Holowach:**

1. How many properties have been purchased by the Department of Public Works for the construction of the federal building in Edmonton?
2. What is the total amount paid to date for these properties?
3. What is the total amount paid to date for the construction of the federal building?
4. What is the estimated total cost when the building is completed?

Questions

5. What departments of the federal government will occupy space in this building?

6. What date has been set for the official opening?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. A notice of expropriation was filed on November 21, 1951, against lots 14 to 20 inclusive and lots 69 to 73 inclusive, block 7, plan "B", Hudson Bay reserve (11 owners). Two additional lots were acquired from the city of Edmonton by exchange of properties (lots 67 and 68).

2. $265,549.00.

3. $5,284,407.73.

4. $6,390,000.00.

5. Civil service commission and the departments of agriculture, citizenship and immigration, defence production, finance, labour, national defence, national health and welfare, national revenue, northern affairs and national resources, public printing and stationery, trade and commerce, transport and veterans affairs.

6. The date has not yet been set.

PEAT MOSS INDUSTRY, NORTHUMBERLAND COUNTY, N.B.

Question No. 189—**Mr. McWilliam:**

What steps, if any, has the government taken towards promoting the establishment of a peat moss industry in Northumberland county, New Brunswick?

Answer by: **Hon. Paul Comtois (Minister of Mines and Technical Surveys):**

The mines branch of the Department of Mines and Technical Surveys, from time to time, has provided, to parties interested in developing the peat moss industry, information on New Brunswick peat bogs including detailed data on the extent and quality of the Northumberland county bogs as shown by investigations of the geological survey of Canada and further 1939 to 1941 extensive field investigations published in 1947 in "Peat Moss Deposits in Canada", bureau of mines report No. 817.

TRANS-CANADA HIGHWAY

Question No. 218—**Mr. Johnston (Bow River):**

1. How many miles of the trans-Canada highway are now paved and completed according to specifications: (a) across Canada; (b) in each of the provinces?

2. How much of this construction has been paid for by the Canadian government to date?

3. How much has been paid to each province by the federal government to date?

4. How many miles of the trans-Canada highway run through the Banff national park, and (a) how many miles have been completed and paved according to specifications? (b) How many miles have been paved and then been repaired, and what was the cost of the repairs?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. (a) 1706 miles to October 31, 1957.

(b) Newfoundland, nil; Prince Edward Island, 67; Nova Scotia, nil; New Brunswick, 77; Ontario, 430; Manitoba, 246; Saskatchewan, 406; Alberta, 214; British Columbia, 266.

2. $122,468,045.47 to November 16, 1957.

3. Newfoundland, $8,923,850.82; Prince Edward Island, $3,272,532.20; Nova Scotia, $2,700,630.57; New Brunswick, $8,938,921.91; Ontario, $31,947,031.89; Manitoba, $10,765,-984.90; Saskatchewan, $13,611,197.86; Alberta, $12,349,423.03; British Columbia, $29,958,472.29.

4. 51.1 miles.

(a) Mileage completed and paved (final paving) according to specifications, nil. However, there are 29.7 miles covered with bituminous stabilized base course.

(b) Minor repairs have been carried out to the stabilized base course. Involved was the placing of approximately 257 tons of bituminous stabilized base course material between mile 11 and 12 at an estimated cost of $1,500.00. The repairs were attributable to settlement on high fill sections and can be considered normal maintenance prior to final paving.

TRAINING AND RETRAINING OF UNEMPLOYED WORKERS

Question No. 219—**Mr. Martin (Essex East):**

1. Has the government received representations, through the national employment committee or any other body, to consider further implementation of schedule "M" to include training and retraining of unemployed workers to qualify them for available job opportunities?

2. If so, has the government taken any action to implement such suggestions?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. Yes. Representations from and on behalf of the city of Windsor, Ontario, and the town of Milltown, N.B.

2. Yes. Proposals for the establishment of training programs under schedule "M" at Windsor, Ont., and at Milltown, N.B., were discussed with the appropriate provincial authorities. Following thereafter a training program under schedule "M" was organized at Windsor, Ont., by the province of Ontario and the renewal and extension of such program is now under consideration by the government of the province of Ontario. A training program has been organized by the government of the province of New Brunswick at Milltown, N.B., and is in operation.

UNEMPLOYMENT INSURANCE BENEFITS, KENORA

Quection No. 224—**Mr. Benidickson:**

1. How many persons are receiving unemployment insurance benefits from the Kenora office?
2. How many persons are receiving unemployment benefits by mail from the Kenora office?
3. How many of these claims originate from persons residing at Dryden, Oxdrift, Waldhof, Eagle River, Vermilion Bay, Wabigoon, Dinorwic, Dyment, Ignace, Red Lake Road, Quibell, McIntosh?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. Number of active claimants (persons whose claims are 'live') at Kenora local office at October 31, 1957—266.

2. Number of active claimants reporting by mail at October 31, 1957 (included in item 1)—129.

3. No figures available, as no separate record made of origin of claims within a local office area.

UNEMPLOYMENT INSURANCE BENEFITS, FORT WILLIAM-PORT ARTHUR

Question No. 225—**Mr. Benidickson:**

1. How many persons are receiving unemployment insurance benefits by mail from the Fort William or Port Arthur office?
2. How many of these claims originate from Atikokan, Ontario?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. Number of active claimants reporting by mail at October 31, 1957:

(a) Fort William local office	167
(b) Port Arthur local office	541
Total	708

2. No figure available, as no separate record made of origin of claims within a local office area.

UNEMPLOYMENT REGISTRATIONS, NEW BRUNSWICK

Question No. 228—**Mr. Robichaud:**

1. What was the total number of unemployed registered in each of the areas served by the Edmundston, Campbellton and Bathurst offices for the week ending November 16, 1957?

Questions

2. What was the number on November 16, 1956?
3. How many unemployed were registered in the province of New Brunswick on the two dates mentioned?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. The number of persons registered for employment at local offices of the unemployment insurance commission is derived from a count made of the live file on Thursday of each week.

At November 14, 1957, the number of persons registered for employment at the Edmundston office was 969; at the Campbellton office 1,133 and at Bathurst, 1,314.

2. At November 15, 1956, the number of persons registered for employment at the Edmundston office was 444; at Campbellton, 407 and at Bathurst, 615.

3. At November 14, 1957, there were 16,008 persons registered for employment at offices in the province of New Brunswick and at November 15, 1956, there were 8,479.

UNEMPLOYMENT INSURANCE FUND

Question No. 233—**Mr. Byrne:**

1. What is the total amount in the unemployment insurance fund?
2. What was the amount in the month of October, 1957?
3. What was the amount of contributions to the fund in the same month?
4. What amount was paid out of the fund in the month of October?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. At October 31 (the latest date for which figures are available) the amount in the unemployment insurance fund was $884,800,516.26.

2. See answer to No. 1.

3. Contributions in October, 1957:

(a) By employers and employees	$16,720,914.67
(b) By government	3,376,830.41
	$20,097,745.08

4. Amount paid out of the fund during October 1957, $16,305,464.48.

HOUSE OF COMMONS

Thursday, November 28, 1957

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

MISCELLANEOUS PRIVATE BILLS—FIRST, SECOND AND THIRD REPORTS OF STANDING COMMITTEE—CONCURRENCE IN FIRST REPORT

Mr. C. E. Rea (Spadina) presented the first, second and third reports of the standing committee on miscellaneous private bills, and moved that the first report be concurred in.

Motion agreed to.

EXTERNAL AFFAIRS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. H. O. White (Middlesex East) presented the first report of the standing committee on external affairs, and moved that the report be concurred in.

Motion agreed to.

Third report of standing committee on railways, canals and telegraph lines.—Mr. Fraser.

PRIVILEGE

MR. MARTIN (TIMMINS)—REFERENCE TO ARTICLE IN OTTAWA "CITIZEN"

Mr. M. W. Martin (Timmins): Mr. Speaker, I rise on a question of privilege. In yesterday's copy of the Ottawa *Citizen* there is a report which is quite erroneous. I will read the paragraph which refers specifically to my point; it is criticizing the hon. member for Quebec-Montmorency (Mr. LaCroix) with regard to the matter of the flag, and it says:

> Moreover, he could have withdrawn his motion, thereby saving many Liberals and C.C.F. members from voting against their own actual wish for a national flag.

I sent out for copies of *Le Droit* and I found this paragraph in the edition of Tuesday, November 12, in an editorial by Mr. Pierre Chaloult, which reads as follows:

(*Translation*):

> . . . thereby saving many Liberals and Social Crediters from voting against their own actual wish.

(*Text*):

My point is this, and maybe it has to do with simultaneous translation between the newspapers; that my interpretation of this article is that it referred to the Liberals and the Social Credit party, and I should like to correct the matter because all the members of the C.C.F. party voted in favour of the flag.

MR. ROBICHAUD—REFERENCE TO ARTICLE IN MONTREAL "GAZETTE"

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I rise on a question of privilege based on an editorial which appears this day, November 28, 1957, in a daily newspaper and which concerns all members of this parliament as well as members of previous parliaments. In the Montreal *Gazette* of this date the following editorial appears:

> Christmas Cards And All That
>
> Thousands of Canadians this year will not be receiving the Christmas cards they had from Ottawa in other years. The reason they may not be receiving them is quite simple: they will no longer be paying for them.
>
> It seemed, for the time being, rather pleasant to have Yule greetings from your member of parliament. It showed that he had not forgotten you. He had even gone so far as to send you his greetings and his best wishes—for Christmas and the New Year, and all that.
>
> But the unpleasant thing about these pleasant greetings is that you had to pay to be greeted. And you paid nonetheless because you never actually saw the bill. It was still charged to your account, in the taxation you paid.
>
> This year there will be no Christmas cards for members of parliament, provided by the courtesy of those to whom they were to be sent. The estimated saving is $50,000.
>
> Perhaps there may be some elector somewhere anxiously waiting for his member's card. But it may be doubted. That $50,000 saving will be quite a compensation for not being greeted with your own money.
>
> But perhaps the happiest electors of all may be those who helped pay for these cards but never even got one. They are now being forgotten at less cost to themselves.

The point of my question of privilege, Mr. Speaker, is that this editorial leaves the impression the members of parliament were in the past supplied with free Christmas cards which they were sending out to their respective constituents. This is absolutely false, and the newspaper responsible for such an irresponsible and untrue statement should apologize to this parliament and to the people of this country for misinforming them. Furthermore, most members of this house present and past paid for the postage used on their Christmas cards and did not take advantage of the privilege of the frank to which they were entitled.

FINANCE

ANNOUNCEMENT OF OVERSUBSCRIPTION OF BOND ISSUES

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I think the house will be interested to receive the announcement that

I am happy to be able to make. At nine o'clock this morning the books were opened on two offerings of government of Canada bonds, the first an issue of $250 million of 3 per cent bonds, due October 1, 1959, issued at a price to yield a return of 3.81 per cent, and another issue of $400 million of three-year 3 per cent bonds maturing December 15, 1960, for conversion applications only, issued at a price to yield a rate of 3.85 per cent to maturity.

The books on these two offerings opened at nine o'clock this morning, Mr. Speaker, and I am sure the house will be glad to know that both issues were immediately and substantially oversubscribed and the books were immediately closed.

Since these offerings come on top of the twelfth Canada savings bonds campaign which has raised now the record sum of a billion dollars by this method, I think it right to say that the response of the Canadian public is deeply gratifying, and I am sure in the eyes of all members it reflects not only the strength of the Canadian economy but the confidence of our people in the economy of their country.

Hon. James Sinclair (Coast-Capilano): May I be permitted to ask one brief question. Instead of quoting the effectual interest rate, will the minister give the actual sale price of the $100 bond?

Mr. Fleming: Yes. In the first issue the bond was issued with a coupon rate of 3 per cent. The issue price was 98.6, to yield a return of 3.81 per cent to maturity. On the second issue, that for conversion applications only, the coupon rate is 3 per cent. The issue price was 97.6, to yield a return of 3.85 per cent to maturity.

I might point out, Mr. Speaker, that the first rate is on a maturity exactly the same as the issue we put out two months ago, precisely the same maturity, namely October 1, 1959. I think it may be observed that the effective interest return on this same bond now is 1.18 per cent lower than the effective return on the bond of the same maturity issued just two months ago, which is an indication of—

Mr. Sinclair: A sagging economy.

Mr. Fleming:—the growing strength of the Canadian economy and the confidence of the Canadian people in their economy; and also of the fact, Mr. Speaker, that interest rates have come down substantially and that money, credit and interest in this country are easing substantially.

[*Later:*]

On the orders of the day:

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, I should like to direct a question to the Minister of Finance, and ask him whether any farmers in the west who were fortunate enough to obtain cash advances on farm-stored grain have sought to put it into any of the bonds the minister said were so advantageous.

Mr. Fleming: Mr. Speaker, I am quite sure no hon. member of the house is going to ask the Minister of Finance to disclose the private affairs of any citizen.

[*Later:*]

Mr. W. H. McMillan (Welland): Mr. Speaker, may I direct a question to the Minister of Finance, notice of which I did not give him. In view of his statement about the increase in the price of bonds I wonder if he would tell the house whether the province of New Brunswick will get the advantage of the lower interest rates for loans to be advanced by this government in connection with the Beechwood development, or will that interest rate be maintained at 4⅜ per cent? I would also like him to comment on the rate that government bodies like the St. Lawrence seaway authority pay for loans from the government.

Mr. Fleming: Mr. Speaker, it will be recalled that when the Prime Minister made his announcement in the house about two weeks ago concerning the proposals of the government to lend sums to the province of New Brunswick for the purpose of meeting the financing requirements of the Beechwood power project he indicated that the agreed rate was 4⅜ per cent. I am happy to report to the house that the rate on federal borrowings has continued to drop since that time, and I can assure the house, as we have already assured the province of New Brunswick, that that province will receive the full benefit of any further reduction in the effective rate which the government of Canada must pay on its borrowings.

Sir, as to the second part of my hon. friend's question concerning the rate charged on loans made by the government of Canada to crown corporations, I would point out that as to loans that have already been made the rate has already been established. It was established in the light of the cost of current borrowings by the government of Canada. As to any future loans to crown corporations by the government, the rate of interest on any such will of course have to be established in the light of the cost to the government of Canada of its borrowings at that particular time.

REPORTED REDUCTION IN EXCISE TAX ON AUTOMOBILES

On the orders of the day:

Mr. Victor Quelch (Acadia): Mr. Speaker, I should like to address a question to the Minister of Finance. Can he say whether there is any substance in the story that came over the radio at noon today to the effect that there is to be a 50 per cent reduction in the excise tax on cars this session?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, no such statement has been authorized by the Minister of Finance or by any government source that I am aware of.

Mr. Sinclair: What did you promise during the last election? Total removal.

[*Later:*]

Hon. Paul Martin (Essex East): I am sure the Minister of Finance will appreciate the importance of this question. In view of the reply he gave to the hon. member for Acadia with regard to the excise tax, and in view of the request by the representatives of the automobile industry to see the Minister of Finance, whose preoccupations we all understand, I wonder if I might ask him whether, in the interests of promoting sales, which are now somewhat stagnant, he could not give further consideration to the reply he gave a few moments ago, and if he could not expedite his meeting with the representatives of the automobile industry.

Mr. Fleming: Mr. Speaker, I have met with the representatives of the automobile industry on the subject several times since the new government took office, and I have also met the associations of dealers and others interested in the subject. I think they realize that the door is always open when there is any point in our meeting to discuss the subject.

Mr. Martin (Essex East): A supplementary question. Is the Minister of Finance in a position to say whether or not he can see them tomorrow? My information is that the minister has not found it possible to do so.

Mr. Fleming: Mr. Speaker, whether a meeting can be arranged tomorrow I cannot say at the moment, in view of a heavy program of commitments, including the sittings of the house. The question remains whether anything further can be added to the rather complete knowledge which the government has on this subject. I do not need to assure the house of the government's concern with regard to the matter.

[*Later:*]

Mr. Claude Richardson (St. Lawrence-St. George): Mr. Speaker, may I direct a question to the Minister of Finance supplementary to the questions raised by the hon. member for Acadia and the hon. member for Essex East. Is the house to assume that by the swinging-door policy enunciated today by the Minister of Finance, the question of excise taxes is being given due consideration in relation to the budget the minister is likely to bring in, in due course, at this session?

Mr. Fleming: Mr. Speaker, I think my hon. friend could have asked that simple question without labouring it quite so hard.

Mr. Sinclair: It is the example he gets from you.

Mr. Fleming: I can assure the hon. member that the policy which he described as a swinging-door policy is by no means new. It has been the policy of government to hear all citizens and all groups of citizens who have any case they wish to submit to the government, and the government tries to give proper consideration to whatever representations are made to it from responsible sources.

REQUEST FOR PROVISION OF LOAN FUND FOR SMALL BUSINESSES

On the orders of the day:

Mr. Wilfrid LaCroix (Quebec-Montmorency): May I direct a question to the Prime Minister. Is it true that the government has decided to propose legislation at the present session to establish a loan fund which will be available at low interest so that small businesses will not be driven out by larger groups? This was a promise made by the Prime Minister at Cambridge, Nova Scotia, on June 4, 1957. If so, when?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, a somewhat similar question was asked a few days ago in the house and answered by me. I pointed out that representations have been received by the government from associations and organizations representing small business. They have submitted various proposals, and those proposals are under study at the present time.

BUSINESS OF THE HOUSE

INQUIRY AS TO FURTHER LEGISLATION TO BE INTRODUCED THIS SESSION

On the orders of the day:

Right Hon. L. S. St. Laurent (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he would

inform the house now, or at the earliest convenient date, what legislation in addition to that already on the order paper it is intended to introduce during this session. I ask the question now because we have already commenced to consider the extension of the sitting hours. The hon. gentleman will remember that when his party was on this side of the house I used to have the experience of being asked similar questions.

Right Hon. J. G. Diefenbaker (Prime Minister): And it is a very laudable attitude, because it shows a desire to co-operate to bring about at the earliest possible date the closing of the house after the business has been expedited. I wish to say to my right hon. friend that I shall endeavour very shortly, within the next day or so, to bring before the house in general something of the alignment of future legislation in addition to that already on the order paper. I hope to do that on Monday.

HOUSE OF COMMONS

RETURNS OF CANDIDATES' ELECTION EXPENDITURES NOT FILED

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State arising out of information contained in a return tabled yesterday with respect to a motion of mine passed by the house on October 25. Can she say whether any of the members of the House of Commons referred to in sessional paper 3-B as not having filed their expense returns for the recent general election received judges' orders permitting them to delay the filing of these returns?

Hon. Ellen L. Fairclough (Secretary of State): Mr. Speaker, I am assured that the three members who had not filed obtained orders.

Mr. Knowles (Winnipeg North Centre): Can the hon. lady give us the information as to the dates on which these orders were obtained?

Mrs. Fairclough: I do not have that information. If the hon. member would like to put a question on the order paper, it can be procured.

Mr. Knowles (Winnipeg North Centre): I should be glad to do that, but would it not be just as easy for the hon. lady to give that information at the next sitting of the house?

Mrs. Fairclough: I will be very glad to procure it.

[Mr. St. Laurent (Quebec East).]

TRANS-CANADA AIR LINES—PASSES FOR MEMBERS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the fact that this present session may run close to Christmas, or even go over that time, can the minister speed up his negotiations with T.C.A. relative to an occasional pass being issued to members of parliament who, like myself, live around 3,000 miles from Ottawa and would like to become reacquainted with their families and constituents?

Hon. George H. Hees (Minister of Transport): I will be very glad to speak to the management of Trans-Canada Air Lines about that matter.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—INQUIRY AS TO PROGRESS OF DISCUSSIONS

On the orders of the day:

Right Hon. J. G. Gardiner (Melville): Mr. Speaker, I should like to ask the Prime Minister whether he is yet in a position to report to the house on the progress being made in the discussions with the Saskatchewan government respecting the construction of the South Saskatchewan river project and, if so, will he make a report?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I am not, because consideration and negotiation are still continuing, and this afternoon I will be meeting the premier of the province of Saskatchewan again.

ADMINISTRATION OF JUSTICE

QUEBEC—REPORTED ESTABLISHMENT OF INTERMEDIATE COURT OF APPEALS

On the orders of the day:

Hon. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, I wish to refer to the reply given yesterday by the Minister of Justice to the hon. member for Laurier regarding the establishment of a court of review in the province of Quebec. In view of the Canadian Press dispatch of last night, of which I sent a copy to my hon. friend, may I ask him if he is in a position to say now if the government intends to propose legislation at the present session for the purpose of the establishment of such a court of review in Quebec?

Hon. E. D. Fulton (Minister of Justice): I thank the hon. gentleman for having sent me a copy of the press dispatch referred to, which appeared in this morning's Montreal *Gazette*, as I recall. I can only tell him that

we have not yet received a copy of the bill introduced or to be introduced in the Quebec legislature. Therefore I am not in a position where I have official knowledge of what is intended, and until I do receive official notification, which will be by getting a copy of the bill, it will not be possible to arrive at a decision.

Mr. Lesage: May I ask the Prime Minister if the premier of Quebec discussed the matter with him in the last few days?

Mr. Diefenbaker: The answer is no.

HEALTH AND WELFARE

REPORTED ABANDONMENT OF U.S. CHEST X-RAY PROGRAM

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. Has he seen the report in the press that the United States public health service has recommended the abandonment of the mass chest X-ray program on account of the possible radiation danger, and has his department any similar action in mind?

Hon. J. W. Monteith (Minister of National Health and Welfare): I have seen the press report, and I would say that my department has no similar action in mind.

EXTERNAL AFFAIRS

NATO—INQUIRY AS TO DECEMBER MEETING

On the orders of the day:

Hon. L. B. Pearson (Algoma East): I should like to ask the Prime Minister whether or not he can assure the house that notwithstanding the illness of President Eisenhower, which we all so deeply regret, the very important meeting of the NATO council for next December in Paris will take place as arranged.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have no definite information in this regard, although I think it can be taken as certain that the meeting in question will take place. I have heard of nothing that would indicate a postponement will take place. At the same time I realize that the meeting will naturally feel the effect of the absence of the President of the United States, who means so much in the world today.

TERRITORIAL WATERS—STATEMENT ON CANADIAN POSITION

On the orders of the day:

Hon. Sidney E. Smith (Secretary of State for External Affairs): Yesterday the hon. member for Vancouver East addressed this question to me, and I took it as notice:

> Has the interdepartmental committee which we were informed last session was being set up reported to the government the position Canada should take on the legal position of the continental shelf and territorial waters in its representations to the international conference which the general assembly of the United Nations recommended should be held in March, 1958? If so, is it the minister's intention to make the government's views known to the House of Commons, and will provision be made for a discussion on this all-important subject?

The answer is that the interdepartmental committee, which is making preparations for Canada's participation in the international conference on the law of the sea, which is to be held in Geneva commencing February 24, 1958, has not yet completed drafting its recommendations to the government on all the matters which will be discussed at the conference. The basis of the discussion at the conference will be a report of the international law commission of the general assembly incorporating some 73 recommendations on the various aspects of the law of the sea: territorial waters, continental shelf, navigation, fishing and so on.

The interdepartmental committee has, however, made recommendations to the government on some of the more important aspects of the international law commission's report, among these the questions of the territorial sea and the continental shelf, as a result of an invitation addressed to governments by the Secretary General of the United Nations for comments on the international law commission's report.

It is the secretary general's intention to include the comments he receives from member governments in documentation being prepared by the secretariat of the United Nations for the conference.

Provisional comments of the government were forwarded to the secretary general on September 10 last. I would draw attention to the fact that they are provisional comments, Mr. Speaker. These may be modified in view of the discussions to be held at the conference, and having regard to the negotiations that might take place at that time among the nations.

Since these comments will be of general interest I would ask leave of the house to have the note which was sent to the secretary general printed as an appendix to *Hansard*. This note is six pages long and it is single spaced. To discuss at this time the whole range of matters which will be taken up at the international conference would, I think, be premature. However, the house will now be acquainted with the views which

have been put forward by the government on some of the more important aspects of these matters.

Some hon. Members: Agreed.

Mr. Winch: May I ask the minister if what he is going to file includes the recommendations of the government on the continental shelf?

Mr. Smith (Hastings-Frontenac): Yes.

Mr. Speaker: May I ask whether the Secretary of State for External Affairs has leave to have printed in *Hansard* the document to which he has made reference?

Some hon. Members: Agreed.

[*For text of document referred to, see appendix, pages 1653-56.*]

NORTHERN AFFAIRS

EXTENSION OF NORTHERN ALBERTA RAILWAYS TO GREAT SLAVE LAKE

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): I should like to direct a question to the Minister of Northern Affairs and National Resources. Would the minister advise the house if he has received a report on the surveys carried on by the Canadian National and the Canadian Pacific concerning the advisability or otherwise of extending Northern Alberta Railways to the south shore of Great Slave lake?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): My department has not as yet received any report in an official way, though we have had informal comments from the railways concerned.

Hon. Jean Lesage (Montmagny-L'Islet): May I ask a supplementary question. If the minister has received some information unofficially, as he mentioned, is he ready to make a statement to the house on the subject in the near future?

Mr. Hamilton (Qu'Appelle): I do not believe the situation at this stage would warrant a statement. The only information we have received concerns the relative cost of building such a railway, some information on the various routes examined, and so on. There was nothing decided, so I do not believe the situation warrants a statement at this time.

Mr. Lesage: Would the minister table that information?

Mr. Hamilton (Qu'Appelle): I am a little dubious about how to table a telephone conversation, but I would be glad—

[Mr. Smith (Hastings-Frontenac).]

Mr. Lesage: There is only one way to know what is going on; it is to ask questions.

Mr. Hamilton (Qu'Appelle): About all we know is a rough estimate of the cost of one of the routes, and I do not mind mentioning it. The estimate is between $60 million and $70 million, and that is the extent of my knowledge.

Mr. Hardie: Can the minister give any indication whether or not there will be a report, and whether he will be in a position to make a statement before the end of this session?

Mr. Hamilton (Qu'Appelle): I am speaking from memory now, but it seems to me we were promised a report some time this fall. Obviously we are getting along into the fall, but I do know one has not been received as yet. I shall look into the matter to see what I can tell the hon. member.

NORTHWEST TERRITORIES—CONSTRUCTION OF ROAD FROM HAY RIVER TO TREE RIVER

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. Will he consider the advisability of conferring at an early date with his colleague the Minister of National Defence and the United States defence authorities on the advisability of both countries participating in the construction of a road from Hay River, Northwest Territories, to Tree River on the Arctic coast, to serve the distant early warning line?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I can assure the hon. member that anything that can be done to enhance the opportunities and increase the development of the Northwest Territories will certainly be considered by this government.

FARM IMPROVEMENT LOANS

REQUEST FOR EXTENSION OF ACT TO INCLUDE CREDIT UNIONS

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 had from the Co-operative Union of Canada or other co-operative organizations representations asking that the Farm Improvement Loans Act be extended to include credit unions as lenders under the act, thus giving the same guarantee to credit unions as is now provided to banks? Can the minister say what consideration has been given to these representations?

Hon. Donald M. Fleming (Minister of Finance): I thank my hon. friend for his courtesy in sending me notice of this question. Representatives of the Co-operative Union of Canada met with the cabinet on September 11 and made certain representations, including one to the effect stated in the question of my hon. friend. I understand that some of my colleagues are meeting this week with representatives of the credit union national association. Consideration of course is being given to all the representations that were made to the cabinet.

LABOUR CONDITIONS

BRITISH COLUMBIA—FURTHER STATEMENT ON REPORTED CLOSING DOWN OF HOWE SOUND COMPANY

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): I should like to address a question to the Minister of Justice, not in his judicial capacity but as the minister who has taken the lead in negotiations with the Howe Sound Company with the hope of keeping the Britannia mine in operation this winter. Can the minister report any action the government proposes to take to halt this threatened closure?

Hon. E. D. Fulton (Minister of Justice): Since I last reported to the house I have had two further conversations with officials of the mining company in New York. The last conversation indicated that the company had received just recently, since our talks began, a report from a consultant whom they had sent up to inspect the property. It was also indicated that as a result of this report consideration would have to be given to the whole question by their executive committee. I am expecting to have conversations with them early next week. Until the executive committee has considered the position, there is no way in which the matter can be advanced further. We will know more definitely what can be done after we hear from them early next week.

FRUIT

APPLES—ADVERTISEMENTS IN C.N.R. DINING CARS

On the orders of the day:

Mr. H. J. Murphy (Westmorland): Mr. Speaker, I wish to direct a question to the Minister of Transport. I should like to ask the minister—he will not do anything but I should like to ask him, nevertheless—why only British Columbia apples are advertised on the C.N.R. dining car menus on trains in New Brunswick and Nova Scotia, where excellent apples are also grown, and whether he will do anything to remedy this matter.

Hon. George H. Hees (Minister of Transport): I really have no knowledge why both types of apples are not advertised, but I will make inquiries of the railway company and give the hon. member an answer.

BRIDGES

NIAGARA FALLS—REPORTED CONTACTS WITH U.S. AUTHORITIES

On the orders of the day:

Mr. W. L. Houck (Niagara Falls): Mr. Speaker, I regret that I have been unable to give the Minister of Transport notice of this question, but I know he can answer by saying yes or no. I noticed a report that Chairman Moses of the New York state power authority and his officials are now in contact with federal officials concerning a new international bridge at Niagara Falls. Is that a fact?

Hon. George H. Hees (Minister of Transport): I am not aware of any officials with whom Mr. Moses is in contact. If the hon. member can give me more information perhaps I will be able to give him an answer. I will make inquiries in my department and see whether any of my officials have been in touch with Mr. Moses.

AGRICULTURE

BUTTER OIL—ORDER IN COUNCIL IMPOSING IMPORT CONTROL

On the orders of the day:

Mr. W. A. Tucker (Rosthern): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. On November 19 the minister made an announcement of a change in the price support on butter and butter oil, and then I believe he referred to butter oil and similar products being brought under import control. I wonder if he has tabled the order in council, or orders in council covering this and, if not, whether he will do so.

Hon. D. S. Harkness (Minister of Agriculture): I do not know whether or not the order in council covering this matter has been tabled. I think it will appear in due course in the *Canada Gazette*, and I presume that will serve the purpose which the hon. member has in mind.

Mr. Tucker: Mr. Speaker, there is real interest in what is being done to help the farmers of Canada, and I think there will be a real desire to find out much sooner than that what the government has done in this regard.

Mr. Harkness: I do not think there is any question on the part of the dairy farmer as

to what was done. The price support legislation—the price support order, I should say —as far as butterfat is concerned was extended, and in order to include butterfat of any nature, or in any form, several forms not having been previously included were covered. At the same time all the forms of butterfat which would be included in the price support legislation were brought under the import control order which had previously existed.

This applied particularly to the product known as butter oil, which has been coming into Canada during the last three months in very considerable quantities. If it had continued to come in at that rate, or if these quantities had been increased, I think there is no question but that the entire dairy industry price structure would have been very badly disarranged and perhaps destroyed. Therefore this action was taken in order to maintain the dairy products price structure which we have had in existence now for some time.

Mr. Tucker: A supplementary question. I take it from what the minister has said that an order in council has been passed on this very important matter. Do I also take it that in the light of the protests which have been made by the leader of the government there is objection to disclosing to the country what the government has done by order in council in this matter?

Mr. Harkness: There is no intention in the world of trying to conceal anything that was done in this matter. The hon. member for Rosthern is trying to set up a straw man so he can go through the motions of knocking it down. I have just finished disclosing to the house everything contained in the order in council. If there is any need for it to be tabled I will be delighted to have it tabled but, as I say, the order in council will appear in the *Canada Gazette* in the normal course of events, and I should think that is all that is required.

Mr. Tucker: Mr. Speaker, I am going to ask the Minister of Agriculture, in accordance with the policy his government appears to stand for, to table this important order in council.

PUBLIC BUILDINGS

QUEBEC CITY—INQUIRY AS TO PROGRESS OF NEW POSTAL TERMINAL

On the orders of the day:

Mr. Maurice Bourget (Levis): Mr. Speaker, may I direct a question to the Minister of Public Works. Has the minister any information regarding progress on the construction of the post office in Quebec city?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, as I explained to the house some weeks ago, the situation with regard to this post office is that the government acquired a site, but that site was not satisfactory to the town planning commission or committee of the city of Quebec. The city authorities wished to have the post office built on a site owned by the Canadian National Railways.

The Department of Public Works is ready and anxious to proceed with this work, but as yet the city of Quebec has not been able to arrange for the necessary transfer of the land. Responsibility for further progress does not rest at the present time with the Department of Public Works.

Mr. Bourget: A supplementary question. I think the answer given by the minister is right, but I should like to ask him if it is his intention to discuss this matter with officials of the C.N.R. so that an early agreement can be reached between the railway company and the city of Quebec.

Mr. Green: It is a question which will have to be worked out between the authorities of the city of Quebec and the Canadian National Railway Company.

PENSIONS

REQUEST FOR INCREASE IN PENSIONS OF SUPERANNUATED FEDERAL CIVIL SERVANTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Is the government still giving consideration to taking whatever steps are necessary to increase the pensions of retired civil servants, along the lines of the assurance he gave to the house on October 23? If so, may we expect action on this matter at this session?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have nothing to add to what I have already stated. As to whether or not this and various other matters will be brought before parliament at this session depends to a major extent on the extent to which we get on with the business at hand and the legislation already placed on the order paper, and also those matters to which reference will be made on Monday next. If we get on with what we have to do we will have a job on our hands to conclude parliament before Christmas, and it will require the co-operation of all hon.

members in that regard if we are to discharge our responsibilities to the fullest measure.

Mr. Knowles (Winnipeg North Centre): Would the Prime Minister accept a supplementary question? Is there any reason why he cannot include reference to this matter in the list of business he intends to bring before the house on Monday next?

Mr. Diefenbaker: Mr. Speaker, as I said a moment ago and as I stated earlier the matter is under active consideration, but there has been no determination in this regard as yet to such an extent as would permit the introduction of the necessary legislation.

CANADIAN PACIFIC RAILWAY—COMPLAINTS RESPECTING CHANGES MADE IN PLAN

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Has the minister pursued the representations which were made by his predecessor, Mr. Gregg, to the president of the Canadian Pacific Railway concerning certain complaints having to do with changes made recently in the pension plan of that company? Surely the minister has had letters about this matter from some of the Canadian Pacific Railway pensioners concerned? I wonder whether he is pursuing the matter on their behalf.

Hon. Michael Starr (Minister of Labour): No, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): What does the "no" refer to?

Mr. Starr: I am not pursuing the matter.

Mr. Knowles (Winnipeg North Centre): May I ask a supplementary question. In view of the representations which are being made by Canadian Pacific Railway pensioners in regard to this matter to the minister and to other members of the cabinet—if he shakes his head I will have to send him copies of letters which have been sent to him.

Mr. Starr: I have not had any representation made to me on this matter.

Mr. Knowles (Winnipeg North Centre): I shall send the minister copies of letters which have been addressed to him.

CANADIAN NATIONAL STEAMSHIPS

REPORTED BOYCOTT BY INTERNATIONAL TRADE UNIONS

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, in answer to the question asked by the member for Comox-Alberni yesterday regarding a telegram from the secretary of the international confederation of free trade unions on the question of the transfer of registry of Canadian National ships, I would like to table the reply I made, if that meets with the wish of the house.

Some hon. Members: Agreed.

Mr. A. B. Macdonald (Vancouver-Kingsway): Mr. Speaker, I would like to direct a supplementary question to the Minister of Labour, and ask whether in view of the seriousness of the situation he would not convene in his office a meeting of labour and management and perhaps the president of the Canadian Labour Congress?

Mr. Starr: Mr. Speaker, my reply to this question is very simple. I have on two previous occasions attempted to mediate this unfortunate strike, and my offer was twice rejected by Mr. Banks. My feeling now is that I would be willing to try again provided I could be assured of the willingness of both parties to strive sincerely to reach a satisfactory conclusion.

WATER RESOURCES

BRITISH COLUMBIA—STATEMENT ON REQUEST FOR REPAIR OF WING DAM AT REVELSTOKE

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, the day before yesterday the hon. member for Okanagan-Revelstoke asked me a question about a wing dam on the Columbia river at Revelstoke. I find it was decided in 1949 that the federal government had no further responsibility in respect of this wing dam, and there has been no work done by the Department of Public Works since that time.

Mr. G. W. McLeod (Okanagan-Revelstoke): A supplementary question, Mr. Speaker, arising out of that answer. Could the Minister of Public Works advise us on what grounds such a decision was made and why the responsibility of the department was abrogated in 1949?

Mr. Green: Well, Mr. Speaker, apparently on the basis that there was no question of any damage being caused by navigation because, as the hon. member knows, there is no navigation on the Columbia river at that particular point any longer. Therefore there was no ground on which the dominion government could be made responsible for any such work.

Inquiries of the Ministry

MANITOBA—REPORTED HOLD-BACK OF P.F.R.A. FUNDS

On the orders of the day:

Mr. Jacob Schulz (Springfield): Mr. Speaker, this is a question directed to the Minister of Agriculture. I am sorry I could not notify him of my intention to ask it, but the inadequate secretarial supply in this house sometimes does not permit us to do what we want.

According to a statement made by the minister of public utilities of the province of Manitoba, assistance to the province under P.F.R.A. has been withheld until after the dominion-provincial conference. Is this statement correct, if so, was the matter discussed at the conference?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, the carrying on of P.F.R.A. activities in Manitoba or elsewhere has had nothing whatever to do and no connection with the holding of the dominion-provincial conference. The statement to which the hon. member refers is not correct. As I indicated in the house some two days ago some P.F.R.A. work on the St. Malo dam and reservoir is now under way.

WAR DEAD

GOVERNMENT CONTRIBUTION TO COST OF PILGRIMAGE OF MOTHERS

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. I fully realize that he has been very busy for the last few days, but I should like to ask him whether he is in a position to state whether in the near future he can answer the question I asked him some time ago and which he promised to answer. My question was whether or not consideration is being given to the request of the white cross mothers' association for some financial aid to a pilgrimage of mothers to visit the war dead overseas.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. member brought to my attention at an earlier date a letter which he asked me whether I had received from mothers and widows whose sons or husbands had died in action so as to assure them an opportunity of visiting the graves of their loved ones.

This is a matter that has a tremendous appeal to the feelings and the emotions of all of us. I am sure it is an appeal that would commend itself to all hon. members. There has been no final determination made on the question, but I assure the hon. gentleman that whatever the decision may be it will be one which will take into consideration all the factors and all the needs, the demands and requests of those who are desirous of visiting the graves of their loved ones, as well as those other matters which are also of importance in the decision of questions such as this. I am not in a position to say more at this time.

Mr. Winch: It is under consideration?

Mr. Diefenbaker: Mr. Speaker, the letter has been received by myself and I think by other members of the cabinet. Every consideration consistent with all the things that must be taken into view is now being given the matter, but I must say frankly I am not too hopeful of an affirmative answer at this time.

NATIONAL DEFENCE

CHURCHILL—REPORTED POWER SHORTAGE

On the orders of the day:

Mr. Jacob Schulz (Springfield): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Is the minister aware of the reported shortage of electric power in the town of Churchill, which is now supplied by his department, and what has been done to alleviate the situation?

Hon. G. R. Pearkes (Minister of National Defence): I shall be very pleased to look into that question and let the hon. member have a definite answer shortly.

INDUSTRIAL RELATIONS

PROVISION OF MINIMUM RATE OF WAGES FOR EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 4, to provide for minimum wages for employees.

He said: Mr. Speaker, before I address myself directly to the motion for the second reading of this bill may I say a word as to my own intentions today, in view of the fact that a number of the public bills on the order paper are in my name. This is the only Thursday we shall have this session for public bills, in other words bills regarding public matters brought forward by private members. If the consideration of this bill were completed it would be unfair on my part if I were to ask the house to take the rest of the day dealing with another of my bills. Therefore, Mr. Speaker, I hope the house will not take too long on this bill but that a decision can be reached—naturally I hope it will be a favourable decision—and that having been accomplished, I should like

the rest of my bills in this first group to stand so that other members with bills on the order paper might also have a chance to present their bills to the house this day.

In keeping with what I have just said I shall endeavour to speak as briefly as I can in support of Bill No. 4. To put it in a nutshell, 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 employee 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.

With one exception, Mr. Speaker, I believe this is the only occasion in the history of the Canadian parliament when a bill has been presented proposing a minimum wage law for Canada. That single exception was, of course, in 1935, when the government of the late Mr. Bennett, who was prime minister at that time, presented to parliament what was popularly known as the Bennett new deal legislation. Parliament in that session before the 1935 election passed chapter 44 of the statutes of Canada for that year, which was known as the minimum wages act. However, that act, along with several other pieces of that Bennett new-deal legislation, was declared ultra vires of the powers of the federal parliament when it was referred to the Supreme Court of Canada by the Liberal government that came into office after the election of 1935.

The reason that act was ruled ultra vires was that it had been established by the courts by that time that labour matters come in part under federal jurisdiction but in part under provincial jurisdiction. Therefore it was not competent for the federal parliament to pass one minimum wages act applying to all workers in Canada. I think it is fair to say that Mr. Bennett, the eminent lawyer that he was, knew of this difficulty and he tried to meet it by a rather lengthy and interesting preamble which can be found in chapter 44 of the statutes of 1935. The gist of that preamble was that Canada, having agreed to an international convention regarding the establishment of certain labour standards, including minimum wages, was obligated by that treaty arrangement to put such legislation on the statute books of the country. Nevertheless that position did not stand up when the minimum wages act of 1935 was taken to the supreme court. So far as I can ascertain, from that day to this parliament has not had occasion to debate an actual bill for the enactment of a minimum rate of wages so far as the federal parliament is concerned.

The bill now before us, Mr. Speaker, clearly avoids the error of Mr. Bennett's bill of 1935. The bill now before us, like the two bills respecting annual vacations with pay now on the order paper, like the fair employment practices act and like the act providing for equal pay for equal work, makes it clear that it covers only those employees who come under federal labour jurisdiction. Not only have we in the federal parliament the right to legislate regarding employees in those works and undertakings that come under federal labour jurisdiction but some of us feel that we have the duty and obligation to do so. In other words, just as we have already enacted the Industrial Relations and Disputes Investigation Act and these other pieces of legislation to which I have referred, some of us feel that the so-called labour code at the federal level should be rounded out and that we should make provision for such things as annual vacations with pay, statutory holidays with pay, minimum rates of wages, maximum hours of labour and so on for all those workers who are not protected by provincial legislation but who come under federal labour jurisdiction.

I say that this is the first time since 1935 that the house has had a chance to debate this issue. It is, of course, not the first time that this suggestion has been made on the floor of parliament. Some of us have been doing that for a long time, as we have been arguing for uniform labour standards across Canada. In addition, I might point out that this bill has been introduced and given first reading in parliament previous to this session but this is the first time that it has actually been reached for debate on second reading.

We in this group who present this bill to parliament are not alone in our support of the idea that there should be this kind of legislation providing for a minimum rate of wages for all employees who come under federal labour jurisdiction. The point, of course, was made very effectively once again this year in the submission made by the Canadian Labour Congress to the new government on October 21, 1957. Most of us remember that very interesting occasion in the railway committee room when the Canadian Labour Congress, only a week after parliament had met, appeared before the government at which time Mr. Jodoin read this brief and at which time the Prime Minister (Mr. Diefenbaker) replied on behalf of the government.

One of the points that is underlined in the brief is that in filling out the gaps in labour

legislation there should be legislation providing for a minimum rate of wages for employees who come under federal jurisdiction. The Canadian Labour Congress says this about it on page 18 of its brief:

> But the dominion should not confine itself to doing as well as the best of the provinces. It should give a lead. It should, specifically, establish a legal maximum work week of 40 hours and a legal maximum wage of $1 an hour. This is not really a very drastic proposal.

After some references to the maximum work week the brief goes on to say:

> As for the minimum wage, there must be precious few workers in industries under dominion jurisdiction who are not getting at least $1 an hour. In some industries under provincial jurisdiction, a minimum of $1 an hour might be hard to apply immediately; but in most provinces the legal minimum rates are preposterously low, and if parliament set a minimum of $1 for industries under its jurisdiction, that might provide a spur to provincial laggards.

I remind the government that these are the words of the Canadian Labour Congress in its brief to the cabinet on October 21, 1957, and that therefore the bill now before the House of Commons is a clear-cut implementation of that request for a minimum wage of $1 an hour enacted by the federal parliament to cover all those employees who are in works, businesses and undertakings that come under federal labour jurisdiction.

I am satisfied that there is support for the principle of a minimum wage at the federal level in the other parties in the house. It has been indicated to me by members of both of the other opposition parties that they like this legislation. Some of them have changes here or there that they might like to make, and I may say in that connection that if the bill is given second reading, as I hope it will be, I will then move that it be referred to the committee on industrial relations so that there may be public hearings about it and so that any details of the bill that members might like to have altered could be adjusted so as to meet the various viewpoints. In other words, all we are dealing with at second reading is the principle of the bill.

Of course, we could get into an argument as to what the principle is. I think the principle of the bill is that there should be established by law a legal minimum wage for employees who come under federal labour jurisdiction and that that legal minimum should be not less than $1 per hour.

Mr. McIvor: I should like to ask the hon. member a question. As we have legislation providing equal pay for equal work for men and women, does this $1 an hour apply to both sexes?

[Mr. Knowles (Winnipeg North Centre).]

Mr. Knowles (Winnipeg North Centre): The answer is definitely yes. That would be the case because of that other legislation but as far as this legislation is concerned it is worded so that it applies to all employees without discrimination as to sex, race, colour, creed or anything else.

Mr. McIvor: Good boy.

Mr. Knowles (Winnipeg North Centre): Not only does the principle of this bill have the support, to my knowledge, of members in all opposition parties, but I have before me evidence that it must have the support of members on the government side of the house. I have before me a clipping reporting, by the Canadian Press, an address made by the present Prime Minister when he was leader of the opposition, at Vineland, Ontario, in February of this year. It was a speech that seemed to be directed mainly to labour matters in which the then leader of the opposition promised that if his party came to power after the then ensuing election there would be a number of items of labour legislation put on the statute books. One of those items, as indicated by the then leader of the opposition at Vineland was in these words, within quotation marks, "enact legislation to provide minimum wages."

It is quite clear, Mr. Speaker, that the then leader of the opposition, now the Prime Minister, did not just say something casually when he made that promise in February because I, too, have in my hand a copy of a document to which frequent reference has been made in this house, namely, the "Highlights of Progressive Conservative Policy", which are contained in a booklet spread far and wide in Canada during the recent election campaign. It is a document, on the front of which is that famous picture of the Prime Minister. On page 7 of the document there are quite a number of items which the Conservative party promised would be implemented if that party came to power. I find here exactly the same words that the Prime Minister used in his speech at Vineland in February. I read from page 7:

> The Progressive Conservatives are convinced now, as always, that the free enterprise system coupled with effective free trade unions, offers Canadian labour the best assurance of opportunity, security and highest possible standard of living.

Then, I jump down to the point that is relevant to the bill now before us:

> To attain this end we shall:
> (d) Enact legislation to provide minimum wages, hours of labour, and vacations with pay for all workers under federal jurisdiction.

Well, that is quite clear. The Progressive Conservative party, like the other parties in this house, favours legislation at the

federal level to provide minimum wages for all workers under federal labour jurisdiction. Since that is the case, I hope that this house will see fit, in an hour or so, to give second reading to this bill so it might be sent, on the motion I would then make, to the committee on industrial relations.

I suppose that, despite my hope that the bill will be approved by the house, I should anticipate some of the objections that might be made and give answers to those objections even before they are presented. One objection that may, of course, be made by some—I do not know why it would but it could be made—would be that the minimum rate specified in the bill is too high, a rate of $1 an hour. The only possible reason for anyone making that objection would be, of course, that so far as I know no province yet has passed a minimum wage order that is that high. The answer to that, Mr. Speaker, has already been given to the government in the brief of the Canadian Labour Congress.

Surely, there is a place in Canada for the federal government to give leadership. The federal government cannot dictate to the provinces in matters of labour legislation. The provinces are sovereign in this field, as is the federal parliament, but a lead can be given. Surely in this day and age, at today's cost of living and in the light of today's gross national production, the suggestion that anybody should be asked to work for less than $1 an hour is ridiculous and grossly unjust. I hope that no one will seriously argue against that rate. In fact, I suspect there may be those who will criticize me for not having made the figure higher, and that is a criticism to which I would not object. I hope, nevertheless, that that is a point we might thresh out if and when the bill gets to the committee on industrial relations.

Another objection that may be offered is that the provinces that have legislation regarding minimum wages, for the most part if not entirely, provide for the rate to be fixed by the lieutenant governor in council or by some minimum wage board or in some other way than by including it right in the statute. This practice has more justification in the provinces where a much wider range of industries and kinds of work is involved. So far as federal labour jurisdiction is concerned it extends to a limited number of kinds of businesses and industries. They are set out in one of the sections of the bill. Since we know the exact categories of workers to be covered by this bill we are in a better position than the provinces are to decide what is a reasonable minimum wage.

I might point out also that there is a certain tendency on the part of some provincial governments to crawl out from under their responsibility as to what the minimum wage should be by saying that this is for the minimum wage board or some such advisory body to decide upon. We think that in terms of responsible government it would be better to have the minimum put right into the act. I would not be averse to the act being changed to permit the governor in council, on the recommendation of some advisory body, to raise the figure higher. I think, in any case, parliament should take the responsibility of putting right in the act what the bare minimum should be.

Another objection that might be raised would be the suggestion that this bill, unlike some of the provincial measures, covers all the workers in the field covered by federal labour jurisdiction. Most of the provincial statutes pick out certain sectors of industry, some of them even make a division on geographical terms. I point out again that that is because provincial labour jurisdiction extends to just everybody who works at anything except those in the categories reserved for federal labour jurisdiction. Since that is the case, it is necessary to leave a certain amount of latitude to the lieutenant governor in council to deal with matters.

So far as federal labour jurisdiction is concerned, once we get beyond transportation, the employees in banks and in communications, there are few employees covered, so there are not so many questions about the kinds of employees who may be covered. Hence, there really is no doubt but that we have a responsibility to draft the legislation in such a way as to cover all of those who come under federal labour jurisdiction.

Another objection that might be offered, if someone is just looking for an excuse as a basis to oppose the legislation, would be that this is in advance of what the provinces have put on their statute books thus far.

I think we have already answered that in the quotation I gave from the brief of the Canadian Labour Congress. I do not apologize for this bill being in advance of what the provinces have enacted. I am proud of that fact. That is the sort of thing we should be doing in this parliament, namely giving a lead, proposing legislation that matches today's conditions.

Surely in today's conditions no one can seriously contend that the minimum wage should be anything less than this figure of $1 per hour. I therefore hope, Mr. Speaker, that hon. members generally will realize that this bill is in line with the position that has been taken by all parties, namely that it is time to round out our labour legislation.

Particularly I hope that hon. members on the government side will realize how fully the presentation of this bill coincides with the things they said during the election campaign with regard to labour. They promised a great deal more. In fact, from what was said during the election campaign and from what was said by government spokesmen after the new government came into office on June 21, I thought that we would have at this session a review of the Industrial Relations and Disputes Investigation Act, the Unemployment Insurance Act and the introduction of legislation on vacations with pay, statutory holidays, maximum hours of work and minimum wages. But the Prime Minister today gets to his feet and, in reply to one question, says that it depends on the co-operation of the house whether certain measures can be brought forward. But when we come back with a supplementary question he admits that some of the matters that we want are not ready as far as the government is concerned. In other words, that excuse about the co-operation of the house becomes a hollow one when one really examines into it. I hope that excuse will not be put up in relation to this matter. When the Conservatives were on the opposition side of the house they promised for a number of years back that they would review and overhaul the labour legislation. They have stood for the principle that is contained in this bill. They said so during the election campaign. They have said so since then. Here is another opportunity, along with several others that we are giving the government in bills that are on the order paper.

I hope the house will see fit to accept the principle of this bill. That is all that is involved in voting for the second reading, namely approval of the principle of a minimum rate of wages for all employees under federal labour jurisdiction. Implicit in that approval, of course, is approval of our proposal that the figure, the rate itself, whatever it is, should be not less than $1 per hour. I present this bill for second reading, Mr. Speaker, hoping that the house will approve it so that I can then move for its reference to the standing committee on industrial relations.

Mr. John B. Hamilton (York West): Mr. Speaker, my remarks will be limited to only one aspect of this legislation. I do not intend to make any comment whatsoever as to the over-all effect of this bill or its desirability. There has been one thing which has come to my attention and that is the problem as to whether the hon. member in this case can bring forward a bill of this type. The explanatory notes of the bill indicate that 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. As a matter of fact, the third section reads as follows:

> This act applies to and in respect of employment upon or in connection with any work, undertaking or business that is within the legislative authority of the parliament of Canada, including, but not so as to restrict the generality of the foregoing—

Then the bill goes on with many itemized types of works and services which are to be covered by it. I think it is a generally understood principle that a private member cannot propose legislation which would have the effect of increasing the amount of moneys to be spent by the federal government. If the explanatory notes are correct and if the section to which I referred covers the situation, I believe that this legislation would cover all employees of the federal government. I am not aware as to what are the rates of pay that are presently in effect with the various employees of government and in the various departments. I am not so sure that my observations can be extended to the numerous crown companies which may be affected by this legislation. However, I am wondering whether we may not be on dangerous ground and may be creating some precedent in connection with this type of legislation.

I would respectfully submit for your consideration, Mr. Speaker, this question as to whether in fact—without referring in any way to the general effect or purpose of the bill—it may not be overstepping the rules in so far as what a private member may introduce into this house. I would raise that matter at this time as a point of order. It may be that other members will have something to say on this particular point. I might say that I think it should be disposed of before we continue with the debate.

Mr. Knowles (Winnipeg North Centre): If this is a point of order, Mr. Speaker, perhaps I had better deal with it now. May I do so?

The Acting Speaker (Mr. Casselman): Yes. It is my intention to allow you to go on and then when we have heard the discussion, I will set the matter over until such time as the Speaker is in the chair.

Mr. Knowles (Winnipeg North Centre): The point of order which the hon. member for York West (Mr. Hamilton) has raised is, I take it, to the effect that a private member may not introduce a bill which directly involves the expenditure of public money. May I point out to him that there have been decisions on points of this kind in the past. For example, at page 457 of Beauchesne's third

edition, there appears a decision of some length, the headnote of which reads as follows:

A bill, which does not involve a direct expenditure but merely confers upon the government a power for the exercise of which public money will have to be voted by parliament, is not a money bill and no resolution is necessary as a condition precedent to its introduction.

Similarly at page 459 there is set out another lengthy decision, the headnote of which reads as follows:

A bill designed to furnish machinery, for the expenditure of a certain sum of public money to be voted subsequently by parliament, may be introduced in the house without the recommendation of the crown and without a resolution being first considered in committee.

This bill, Mr. Speaker, is not a bill which calls upon the federal government as such to spend any money. This is a bill which requires employers who come under federal labour jurisdiction to meet certain conditions, and it undoubtedly would result in increased costs to those employers. The bill does not specifically name the civil service or employees of crown corporations. But if, as a result of the passing of this bill and its becoming general law, the federal government as an employer or crown corporations had to get money to meet the terms of that law, there would have to be further votes in the usual way.

That is what is envisaged in the two decisions of Mr. Speaker Sproule to which I have drawn attention by referring to pages 457 and 459 of Beauchesne's third edition.

I would point out, Mr. Speaker, that not long ago—last session, I am told—the hon. member for Beauce (Mr. Poulin) presented a bill which is on the order paper again today proposing that cheques issued by the federal government be printed in the two official languages of this country. Mr. Walter Harris, then minister of finance, raised the point of order that this would involve the expenditure of money. We made the point which I have made right now that the bill itself did not directly involve the expenditure of money, but that if any money had to be spent by the government to meet the terms of that law there would have to be another bill, another appropriation, another vote. That contention, made from the opposition side of the house in support of a bill presented by an independent member of the opposition, was sustained by the Speaker at that time.

There have been other examples of that kind. In fact, I myself have sponsored bills which have been challenged on that point, but in all instances where they have been challenged the Speaker of the house has admitted that so long as the bill was merely one laying down a general law, one that did not in itself directly involve the expenditure of money, it was within the competence of a private member to introduce that bill.

Let me give further examples. A few years ago—and I give her credit for it—the hon. member for Hamilton West, now Secretary of State (Mrs. Fairclough), presented to the house a bill to provide for equal pay for equal work. Did the hon. member for York West raise a point of order about that bill? I am waiting for a reply. No, he did not. But that bill, so far as the section indicating what employees were covered was concerned, is exactly the same as that to which the hon. member for York West is now referring. No point of order was raised at all. The bill was presented, debated from time to time, and in due course its provisions became law though, of course, in a bill presented by the then minister of labour, Mr. Gregg.

Mr. Speaker, I have one other example. In this very session of parliament, on the order paper which is now before us, there is a bill in the name of the Minister of Labour (Mr. Starr) providing for annual vacations with pay. This is similar to a bill of mine, except, of course, that my bill is better. But may I point out that the bill of the Minister of Labour lays down a general law which affects pay to be granted to these people when on vacation. Again, the Minister of Labour has exactly the same categories as I have in my bill. Did the Minister of Labour precede the introduction of that bill with a resolution? No, he did not. If it were a money bill, that is what he would have had to do. And the fact that this house permitted him, quite properly, to introduce that bill without a prior resolution means that that was not a money bill in the terms in which we understand that phrase. That bill, presented by the Minister of Labour, was in order without the prior resolution required in the case of a money bill because it is not a bill directing the expenditures of money but, rather, a bill laying down a general law. If, in keeping with that general law, private employers have to spend more money, that is their business. If the federal government feels that it is morally bound to meet the terms of that law and has to expend more money then it has to take the necessary steps to get that additional money.

I submit, Mr. Speaker, that there is no question that the Minister of Labour was perfectly in order with respect to that other bill. No point of order was raised against it by the hon. member for York West or anyone else, and I suggest that though he is a smart lawyer and I am not—

Mr. Hamilton (York West): Don't be modest.

Mr. Knowles (Winnipeg North Centre): —he is off the beam in the suggestion he has made at this time.

Mr. Hamilton (York West): Mr. Speaker, on the point of order, I should only like to ask you to refer again to the meaning of the words "direct expenditure", as used by the hon. member for Winnipeg North Centre, in order to determine whether this will not be the direct result if this legislation is passed, that it may mean an increase of federal expenditures. I am not saying that it will, I doubt very much if it will, as far as present rates of pay are concerned. But it might, and I ask you to consider the effect of the words I have mentioned.

Mr. J. A. Byrne (Kootenay East): On this point of order, Mr. Speaker, I would say that the hon. member for Winnipeg North Centre has effectively disposed of the matter, but there is one point I wish to make, and that is that I personally do not believe that every time an adjustment is made in wages it becomes a direct charge. On the contrary, a satisfied employee usually performs his work in a more satisfactory way for the industry in which he is engaged—in this case, the civil service—and simply to say that conditions will be improved does not mean, in my opinion, that there will necessarily be an extra charge.

Mr. Arthur Maloney (Parkdale): Mr. Speaker, may I speak to the point of order? I hesitate to disagree with observations made to you by a recognized authority on the rules, but the contention of the hon. member for Winnipeg North Centre (Mr. Knowles) is that the proposed legislation does not directly involve the expenditure of money. I would have thought, with respect, that in simple terms the legislation he brings forward in his capacity as a private member would oblige the government of Canada in its capacity as an employer to increase, in certain cases, the moneys it pays out by way of salaries, and that therefore nothing could be more directly an expenditure of public money.

I do not think that the failure of the hon. member for York West to raise a point of order in respect to some piece of legislation at some other session would have any binding effect on Your Honour. All this must, too, be considered in another context, as the hon. member pointed out when he read our platform with such great glee—

Mr. Byrne: Interesting reading.

Mr. Maloney: Very interesting reading, and it will be followed by interesting actions.

Mr. Byrne: But fiction.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Maloney: The government has it in mind in its comprehensive view of labour and management to introduce its own legislation of this kind. That rather makes the hon. member for Winnipeg North Centre a Conservative in a hurry. But the government cannot do everything at once. I think this bill clearly involves the expenditure of money, and I therefore speak in support of the point of order.

Mr. G. K. Fraser (Peterborough): Mr. Speaker, I should like to say a word in support of the point of order. I would judge from the contents of this bill that it would mean the federal government would have to employ extra inspectors to go around to these different business premises employing workers and according to the bill before us they would have to inspect or take extracts from any books or documents, etc. I would judge that this would involve an outlay of moneys on the part of the government.

Mr. Chown: Mr. Speaker, I thought our discussion of this point of order could be appropriately carried one step further when one looks at clauses 5 and 6 of the bill where the sponsor attempts, in clause 5, to move into existing contracts between employers and employees which in the case of crown corporations would again involve the expenditure of public funds in certain instances, and in clause 6, to make a financial encroachment, by providing that certain minimum amounts should be allowed for meals, namely 40 cents, and again that $50 a month should be allowed for room and board. I note that in clause 8 he provides a saving clause whereby if the contents of existing agreements do not come up to these standards, then the clauses I referred to and other clauses shall prevail.

At the same time, however, I think it is important while we are discussing this point of order that we should point to additional encroachments provided for in clauses 5 and 6. Indeed, one feels in reading the explanatory note of the bill that it is simply a bill to provide for a minimum hourly rate of $1 an hour and no more, and yet in the clauses I referred to, it proceeds to carry the whole matter two steps further and disturb many existing agreements between employers and employees by moving into areas which have probably already been negotiated at some considerable length. It is the point that it does involve the expenditure of public funds which I think should be brought to your attention, that is in clauses 5 and 6 as well as in clause 4.

The Acting Speaker (Mr. Casselman): I am sure that hon. gentlemen have had a very interesting discussion on this point and I

think you will also agree with me that it is a highly technical point and one that I with my limited experience in this chair should not undertake to decide. For that reason I would ask that the debate proceed. I will report the matter to the Speaker and when he returns to the chair he will then give his decision.

Mr. Robert Simpson (Churchill): Mr. Speaker, as a new member of this house who is availing himself of the first opportunity to rise to speak I would like at this time to extend belated but nonetheless sincere congratulations to both Mr. Speaker and Mr. Deputy Speaker on their appointments to their high offices. In the short space of time which has elapsed since the opening of this house we all have had, I am sure, ample evidence of their capabilities in discharging the responsibilities involved in occupying those high positions.

In speaking to the bill which is presently before the house, which is a bill to provide minimum wages for employees, I wish to state at the outset that I am in wholehearted support of any measures within reason which may tend to better the lot of the wage earner be he a labourer or any other type of employee because like many other hon. members in this house I am one who has been in that particular class all his life.

I have been closely associated with labour for many years and feel that I am well aware of the problems of the employee. I have been a mine employee for the past 22 years and prior to that I worked for a long period of time in various jobs in the city of Winnipeg. If I might be permitted to dispel any doubts as to my personal experience with the problems of labour I would like to cite the following example. I have in my hand an urgent letter which I received from a national publication in this country, *Maclean's* magazine, which is in the process of preparing an article which I hope will shortly appear in their publication concerning the district and town of Flin Flon. This most recent letter which is one of many I have received from them lately lists a great number of questions which they have submitted for my approval, verification or correction. In bringing up this point I would like to refer to one question they have submitted for my verification or approval. They ask me to confirm that I am now a Conservative member of parliament representing the constituency of Churchill and that in the mid-thirties I earned 56 cents an hour and worked 56 hours a week in a northern Manitoba mine. That, Mr. Speaker, is one of the questions I will have to correct for *Macleans Magazine* because although I did work 56 hours a week my wages were not 56 cents an hour, they were 42 cents an hour at that time.

In case you might think 42 cents an hour is a fantastically low figure I would hasten to explain that one of the main reasons for my going to the northern part of Manitoba to work for that kind of money was due to the fact that it was approximately double the amount I could possibly have earned in the city of Winnipeg in those days.

During my years as a mine employee I have been a union member continuously wherever possible and when possible I acted as a union steward. I hope hon. members will realize from these remarks that I am not only very sympathetic to the problems of employees but I would like to see those problems alleviated to the greatest extent and as quickly as possible.

Many of the provisions of this bill to provide minimum wages for employees are highly commendable and well thought out and some of them would tend to lessen to an appreciable degree some of the burdens presently being shouldered by a great many employees. There are, however, certain aspects of the bill which I think should be given much more consideration.

I hope that I have convinced this house that I know partially from personal experience the problems of the working man and that I am wholeheartedly in sympathy with him. We must, however, be fair, honest and open minded about these considerations; especially so when in many cases under this bill we shall be legislating in regard to public money. In this regard, I might say that be it public or private money with which we are dealing we must have the same consideration at all times.

I am one who will always look on both sides of the fence, and despite the fact that for over 15 years I worked as a labourer or mill operator,—and I believe did a good enough job to earn my money—I still feel that I and many others owe a great deal to the mining industry of Canada. I grant that over the years shareholders and promoters have made millions of dollars, but they also—and I know this very well—provided me with an opportunity to bring up my family in an atmosphere which was the essence of security. I believe and I honestly think that that is one of the things that the working men of Canada want today. People might say, or some might think, that I should be afraid that some of my constituents might feel that I am saying these things merely to get into the good graces of a mining company. Well, the people of the Flin Flon area certainly will not say that because there are

too many thousands of them up there who feel just the way I do. We are fortunate in many ways to have experienced fine labour-management relations and these have resulted, I believe, in the building of one of the most happy, hospitable and congenial communities in the Dominion of Canada.

I say these things to try to show the house that I believe there are two sides to the story of many problems and sometimes both of them are very worthy. I have to say these things so that no one will feel that I am favouring one side or the other. For instance, after saying that some of the principles of this legislation to provide minimum wages were well thought out and that some should be given more consideration, I should like to point out—I have been very interested in this, especially if I am not out of order in referring to clauses—that clause 6 reads:

> Where board or lodging are supplied by an employer to an employee and are accepted by the employee the value of such board or lodging for the purpose of calculating the minimum wages the employee shall be paid under this act shall not exceed $.40 per meal for board and $.50 per day for lodging and no employer shall deduct from the wages of such employee any sum for board or lodging in excess of the values fixed herein.

Mr. Denis: On a point of order, Mr. Speaker, are we allowed to refer to clauses at this stage on the second reading of a bill?

The Acting Speaker (Mr. Casselman): No; I am afraid the hon. gentleman is out of order but I can see the reason why he referred to the clause. During the argument on the point of order it was quite in order then to refer to clauses. I am sure the hon. member will keep himself within the rules.

Mr. Simpson: Thank you, Mr. Speaker. I apologize for stepping out of bounds and I certainly hope that on Saturday the Winnipeg Blue Bombers will not be charged with that infraction on too many crucial occasions.

In regard to this particular part of the bill, I wonder whether it is the feeling of the hon. member for Winnipeg North Centre that this is a sufficient amount properly to feed and house an employee, or to what extent does he feel the employer should be willing to subsidize this venture? I am sure that extensive subsidization would be necessary. If it is public money we are dealing with this has to be considered. I can say, for instance, that in my area alone we can find many places where board alone runs from $2.10 to $3.00 per day, and still there have to be subsidies paid by the employer. Incidentally, in many instances these feeding places are running at a loss. We are fortunate, of course, to have some system set up in many of these places where the subsidies are taken care of by the employer. However, I cannot see, Mr. Speaker, where 40 cents per meal and 50 cents per day for lodging in certain areas of Canada is going to provide adequate money to house and feed those employees. I must say I would be quite happy if we could make desirable living conditions available to those employees at that amount; but from experience in the northern areas, where some of the provisions of this legislation will take effect, I am quite sure that this figure is quite a long piece off what would be required.

I think also the principle of the bill which suggests that the employer should provide articles of clothing, or necessary clothing for the employees, clothing which by regulations they have to wear, is a very good move; but there are aspects to that which, from experience in other places, have caused a great deal of concern. Consideration should be given to just how much of this type of clothing is included. For instance, safety-toe shoes, hard hats, miners' slickers, and things of that nature are provided in some places by the employers, but there is always the question of when new equipment is necessary. Some provision would have to be made with regard to how much of that equipment would have to be provided by the employer. I might say that in some instances a very good plan has been worked out under which the employer pays half of the cost of those articles. Therefore, there is no decision made as to when new equipment has to be purchased because the employee, since he pays half of the cost himself, just about calls the shot as to when new equipment is necessary. These are just two of the points that I feel should be given more consideration in this bill. Generally speaking I am in full support of the bill with some minor changes.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, with respect to what has been said by the hon. member who has just taken his seat, I want to say that any miner who may have been required to work over the past few years for anything less than $1 probably would not have a stomach large enough to accommodate a meal valued at more than 40 cents. I am sure he is having some difficulty in justifying his position on the bill and for that reason has made some statements which should not be taken too seriously.

Mr. Simpson: I think the hon. member misunderstood me.

Mr. Byrne: Over the past several years when I have been in the house it has been the policy of some members of the Liberal party to take the attitude that questions

of this nature were best left for labour-management negotiations. I, of course, have not shared their opinions on all occasions, but one reason the Liberal party has been so popular throughout the years is that there is such a wide range of views in the party.

An hon. Member: How popular?

Mr. Byrne: In the past I have personally supported legislation of this type.

An hon. Member: When?

Mr. Gauthier (Portneuf): You were not here.

Mr. Byrne: I make no excuses for that position. There is perhaps another reason why such legislation has not been brought forward since 1935. In 1935 it was deemed necessary to put a floor under wages because we did have a Tory administration at that time and there was a natural apprehension that the bottom was going to fall out of things. It may be understandable that there is such a feeling throughout the country now and that may be one of the reasons that prompted the hon. member for Winnipeg North Centre (Mr. Knowles) to bring forward this legislation again at this time.

There should be no quarrel among hon. members regarding the setting of a floor of $1 under wages. Some service industries make use of the gratuity system in order to make up the wages of those who are required to work at very inadequate wages. This legislation may go a long way towards eradicating that type of thing and it would lead to a much greater feeling of self-respect among employees. An employee who is being paid a living wage should not and would not be looking for gratuitous assistance from those whom he is required to serve.

I remember that back in 1947 the battle cry of the miners was for a wage of $1 an hour. They thought that if they could reach such a wage they would have achieved a goal really worth striving for. Since that time, of course, wages of miners in most instances and certainly of those in other industries have more than doubled.

It is hard to visualize people in this day and age being required to give their services for anything less than $8 for eight hours work. There are precedents even in this house for the setting of a floor. I refer to farm products. For instance, does not the wheat board, a body established by parliament, set at the beginning of the crop year the minimum price that they are prepared to pay for wheat? New legislation is anticipated, in fact it is on the order paper even today, which we hope will be brought forward before the Christmas recess so that we will be able to deal with it and give farmers producing other products some assurance that they will receive a proper price for their goods.

Therefore it is not setting a precedent for parliament to accept legislation which would establish a minimum wage of $1 an hour for all employees. The unemployment insurance commission considers that an unemployed person sitting idly by his fireside—perhaps I should not say "idly" but it is correct—is entitled to at least $30 a week, and if he is able to go out and work for a day or two a week he can have an income of $43 a week. The average work week in Canada is in some cases even less than 40 hours a week but 40 hours is more or less standard. Such an unemployed person is entitled to be idle and receive up to $43 a week. Surely a person working in a service industry or other productive industry should be entitled to at least a minimum of $40 a week.

I do not want to take any more time in this debate. I hope the bill will be voted on this afternoon and that if it is given second reading it will go to the committee on industrial relations where it may receive a thorough study and where we may be able to find out if there is in fact a large or small number of people who even at this date in 1957 are being required to work for less than $1 an hour.

Mr. Christian: Mr. Speaker, may I have permission to ask a question at this time of the hon. member for Winnipeg North Centre (Mr. Knowles)? I thought he would have dealt with the particular point during his speech. In what work, undertaking or business, to which clause 3 of the proposed bill has application, are the employees now receiving less than $1 an hour?

Mr. Knowles (Winnipeg North Centre): If I speak now I will close the debate. I should be glad to do so, but—

The Acting Speaker (Mr. Casselman): I am afraid the question is out of order. We are on second reading of the bill.

Mr. Christian: Would the hon. member for Winnipeg North Centre agree to answer the question later?

Mr. Knowles (Winnipeg North Centre): Yes.

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I am very glad to have the opportunity to make a few comments in connection with the bill presented by the hon. member for Winnipeg North Centre (Mr. Knowles). Since this is the first time I have undertaken to make a formal address in the house, I wish to take this opportunity of expressing my most sincere thanks to all

members of this house for their kindly reception of me as a new member, and to the members of the civil service who have been so kind in every way in helping to make my stay here pleasant and effective. I have a difficult role to fill in representing the riding of Middlesex West. My immediate predecessor was the parliamentary assistant to the minister of agriculture in the former government and his predecessor was, for many years, the postmaster general and minister of public works. The standards of service, therefore, to which the people of Middlesex West have become accustomed are very high. I feel somewhat at a disadvantage. However, it is my purpose to give them the best possible representation I can, and to be a good member of this house. If the great Canadians who have preceded us here and who have passed to their reward ever come back in spirit and hover around this place, I hope that anything I might say or do will meet with their approval.

In so far as this bill is concerned, Mr. Speaker, it is a matter of great pride to me to belong to the party which was mentioned by the member for Winnipeg North Centre in opening his remarks, which party under the administration of the late Right Hon. R. B. Bennett attempted to introduce into Canada a minimum wage act. I am glad that the member for Winnipeg North Centre, and no doubt his colleagues in that part of the house as well, have made a careful study, not only of the minimum wage act but a number of other acts which were introduced by that administration. I am sure that after studying these acts anyone would reach the conclusion that the Conservative party, now the Progressive Conservative party, has been more courageous and more ambitious in passing legislation for the benefit of the people of Canada than any other party in the house.

This effort to establish a minimum wage act has remained dormant now for many years. It is being revived, and no doubt while there are arguments both for and against it, as a conservative, spelled with small "c", I would probably be justified in reminding the members of this house that every time we increase our social security we decrease our individual liberty. However, as a Progressive Conservative I think it may be fair to say that as a result of the interference which has taken place with the natural laws of supply and demand, these laws are altogether too harsh in their application now. If we were to allow the law of supply and demand free play, and to follow that through to its logical conclusion we would have people starving in our country today, lying on the streets suffering from lack of hospital care, without sufficient clothing to protect them from the winter. However, we have come a long way from the days when people did starve to death, die from exposure or from lack of care. I am glad that we have come a long way and, so far as I am concerned, there still may be a long way to go before we reach that Utopia that we may relegate to the land of our dreams and leave as an objective to which we can aim but an objective which we can never attain in full.

I am going to take up for a moment the relationship of this act to the majority of the people in the riding which I represent who are farmers. I am going to suggest to you that although there is no mention of farmers in the bill and it does not apply to farmers I am sure that one of the reasons behind the introduction of the bill is that the actions of this government in setting a minimum wage should have an influence on the people in the country. It should influence every employer, and it should influence all wage earners. It should influence everybody. It should set an example of fair dealing in the matter of wages.

With that in mind, I should like to point out to this house that it is out of the question for the average farmer to come anywhere near living up to the provisions of this bill. I have made a little calculation. We know that there are slightly more than 30 days in the average month, but we will take 30 days for ease of calculation. Three meals a day at 40 cents a meal would come to $1.20, and for 30 days that amounts to $36. If we allow 50 cents a day for a bed to sleep in, that would amount to another $15, and $15 added to $36 gives us a total of $51 for board and lodging which a farmer could expect to deduct from the cash remuneration he paid his hired man. Then, if we limited ourselves to working eight hours a day, and I do not know of any farmer who does because it is mostly ten hours or more, at $1 per hour this would amount to $8 a day and for 30 days it would amount to $240. We must remember that on a farm Sunday is just like most other days. Then, if we subtract $51 form $240, we arrive at $189 per month, plus board, that the average farmer would be expected to pay if he lived up to the good example set by this bill.

If anyone inquires at the unemployment insurance or labour offices, I think he will find that the average wages paid to newcomers to the country run from about $65 a month and board up to possibly $100 for those with some experience. The hired man has disappeared from the rural scene in the area which I represent. I know of two

or three hired men in the township in which I live. They are men who have worked for their employers for 25 years or 30 years. They are elderly men who can no longer depart for other places or other jobs. They are going to finish right where they are. That is the only type of help left in that area.

Last spring while I was going around campaigning I passed a field one morning and in it saw a neighbour lady. I knew her and I know her husband. Her husband is crippled up with rheumatism. I expect that both of them have been drawing old age security allowances for some years. The little old lady was out on the tractor trying to plant some oats. That is the farm situation in the area from which I come. The young people are leaving. The old folks are left struggling as best they can to keep the homes together.

I am pointing this situation out only to show that we must do something. If we are going to set minimum rates of wages and if we are going to relate rates of wages and prices, and are going to protect industry which includes both management, labour and invested capital, then I wish to point out to this house that we are also going to have to take similar action in raising the status of our farmers.

I do not know whether or not the resolution is out of order as I have no technical knowledge in that regard. I do not know that it matters very much whether it is or not. I am in favour of legislation of this kind. I hope that something can be done to improve the standard of living of those on lower rates of pay. However, we must equalize the rest of our economy so that one class of people is not discriminated against by passing legislation of this kind for the benefit of another group in our economy.

Mr. Louis Deniset (St. Boniface): I just wish to state, Mr. Speaker, that I am in favour of the principle behind this bill. From time to time the hon. member for Winnipeg North Centre (Mr. Knowles) advances many ideas with which I am not in agreement but this is one with which I am in agreement and I am pleased so to state at this time. We must do all we can to help government employees and, in fact, all employees. Of course I reserve the right to study the bill when it reaches the committee stage. However, I do not want to bury this bill under flowers. I hope that no party in this house intends to bury it under flowers. This matter, of course, might be gauged by the length of speeches. Therefore at this time all I want to do is to register my approval.

Mr. A. J. MacEachen (Inverness-Richmond): I rise at this time, Mr. Speaker, to express my sympathy for the general intention behind this bill. As I listened to the hon. member for Winnipeg North Centre (Mr. Knowles) outline the historical background to this particular measure in this country I could not help but recall that the first minimum wage law was passed in the United States in 1938 and that its passage was possible only after a long series of court cases which finally resulted in the admission that this type of law was constitutional in Washington. It is interesting to recall that the first hourly rate established under the minimum wage law in that country was 25 cents an hour and had increased only to 40 cents an hour in 1945. When the measure was first introduced in the United States there were large numbers of employers who objected to the passage of the measure because they felt that it would have an extremely injurious effect on employment in that country. The main effect of the legislation, as experience later showed, was to displace several thousands of pecan shellers in the state of Texas and other southern states who at that time were working for eight cents an hour. Of course, the industry had to mechanize and become more efficient, so there were gains to be had on all sides.

The effect of this measure in the United States has been studied and the experience has been that it has had no harmful effect on employment opportunities, the chief difficulty being in the field of enforcement, a fact which caused difficulties to enforcement officers in the first years in the United States.

I feel that this particular measure reflects the advances that we should be making in the field of labour legislation in this country, however far they are behind those made by our neighbour to the south. For that reason I give it my support. However, I want to take the opportunity provided by the introduction of this bill to discuss some related and pertinent wage problems in my own constituency of Inverness-Richmond.

One of the hon. members of the Social Credit party asked the hon. member for Winnipeg North Centre whether he could outline any employees presently receiving an hourly rate of less than $1. During the past hour or so I have been examining the wage rates now prevailing in the national parks of Canada, particularly the Cape Breton Highlands national park. I find that in that particular park there are 11 classifications of employees receiving an hourly rate of less than $1 an hour. I am sure that there are other national parks, particularly in Quebec and the maritime provinces, where classifications of employees receive an hourly rate of less than $1. I hope that the passage of this bill will have

the effect in certain instances of superseding the results that are gained from the present wage surveys conducted by the Department of Labour. At present, as hon. members are aware, these prevailing rate employees are paid according to the results of wage surveys conducted by the Department of Labour whose recommendations are then submitted to the appropriate department for action. This procedure has resulted in extremely unusual distortions and anomalies in the payment of wages to various employees in various parts of Canada. Of course the purpose of using wage surveys was a good one because an attempt was made to guarantee that government employees would receive at least the maximum average rate prevailing in any particular labour market. However, I think this particular system has serious deficiencies or at least it works well in only two particular situations.

First of all, in a situation where there is a very competitive labour market and where employers of labour are bidding for workers, with the result that the highest possible rate is paid, the wage survey table will guarantee the government rate is based on a competitive rate provided in a competitive labour market. The wage survey works well in that situation. It works well, also, in a unionized market where the action of the trade unions has guaranteed that the union rate is being observed. And then, of course, the prevailing rates to government employees is based on that type of sample.

However, in the Cape Breton Highlands national park there are very serious limitations on the use of wage surveys. I think hon. members of this house will be surprised to learn that there is a great difference in the wages paid to employees of the Cape Breton Highlands national park, for example, and the employees of the Banff national park, although both groups of workers are hired by the same employer, the government of Canada or the Department of Northern Affairs and National Resources. For instance, a labourer employed at the Cape Breton Highlands national park receives 70 cents an hour, while the rate for similar work in the Banff national park is $1.35. Likewise, the prevailing rate employee—the labourer in the Cape Breton Highlands national park who works a 44-hour week is paid $39.60 under the present rates, while his counterpart in the Banff national park receives $59.40, a discrepancy of almost 50 per cent in the payment made to Canadian workers employed by the same employer. For a carpenter in the Cape Breton Highlands national park, the weekly pay is $55; in Banff, it is $88. For a motor mechanic in the Cape Breton Highlands the rate is $58; in Banff it is $74.80. The weekly rate of a painter is $48 a week in Cape Breton in respect of a 44-hour week, while in Banff it is $79.20.

I do not believe any sensible Canadian can justify this wide discrepancy which exists between these rates of pay, and members of parliament who have national parks in their constituencies, particularly in the eastern parts of Canada, should compare the wages received by their constituents with those received in other parts of the country, particularly in the western parts.

I know it is a great privilege to live on the island of Cape Breton, particularly in areas surrounding the finest and most beautiful national park in Canada, but I doubt whether employees are prepared to pay for this privilege by receiving in wage payments almost 50 per cent less, in the case of labourers, than workers in the Banff national park.

The situation is made even more absurd by the fact that wage surveys undertaken to establish the prevailing rate in this particular park are based upon a survey of wages in two fishing villages, the villages of Ingonish and Cheticamp where there is no real industrial employment and where there are no unionized plants. Even the Department of Labour would, of course, be making some improvement in its rate-setting if it took into account the wages paid to labourers in the adjacent coal mines in the Cape Breton coal field or in the steel mills in Sydney where the rates are much higher. Instead, we find the Department of Labour using these wage surveys in areas where they were never intended to apply and in which there is no basic competitive labour market or unionized market to guarantee that these workers will receive just and fair treatment.

I am supporting this measure, Mr. Speaker, as a first step toward remedying the injustice which now applies to prevailing rate employees in certain parts of Canada. I believe that its passage would guarantee to at least 11 classifications of employees in the Cape Breton Highlands national park a basic minimum of $1 an hour. I do not regard that as sufficient or proper, because I believe that these prevailing rate employees should be treated in exactly the same way as civil servants or employees of the Canadian National Railways are treated. These employees receive exactly the same rate no matter where they live in Canada. While I am supporting this measure on that ground, and for other reasons, I do not believe that the rate which would ensue under this legislation would provide fair and just treatment for these classifications of employees I have mentioned.

It is the object of this government and of this parliament to do something about narrowing the gap in income which exists between various regions of Canada. A very modest but important step would be to make the rates paid in the Highlands national park in Cape Breton equal to the highest rate applicable in Canada. Failing this, I will settle for the moment as a first step with having these 11 classifications raised to at least $1 an hour as a basic minimum.

Mr. Daniel McIvor (Fort William): Mr. Speaker, my first word is to congratulate the hon. member for Middlesex West (Mr. Thomas). I think he has made a splendid beginning, and it looks as if he is going to continue as the champion of the farmer. Of course, I do not agree with him about the wages paid to those who work on the farms. I think the man who drives a tractor on the farm has a good right to have the same wage as the man who drives a tractor in the city or for a corporation. But I will not answer him any further on this, because the hon. member for Winnipeg North Centre (Mr. Knowles) has included in his resolution an explanatory note with respect to "all employees". That is why I asked him if it included the fair sex.

Mr. Speaker, I have a right to speak on this question because I know something about it. I have worked on the farm. I have worked in an office in the government. And in my first year out of university in Winnipeg I earned 15 cents an hour carrying bricks. I became the president of the first labourers' union in Winnipeg, but I was there only a short time because I went on to timekeeping and was then considered a capitalist. But the man who hired us for 15 cents an hour became a millionaire in less than ten years. Therefore, my interest in the matter today is that the labourer should get a square deal.

My interest in supporting this resolution is because it deals with the lowest paid workers. A man employed in the construction work in which I was engaged at that time received 15 cents an hour. A bricklayer got 45 cents or 50 cents; he was always paid three times as much as a labourer. And I think the outstanding argument which can be voiced in support of this bill is that it deals with the people who are in the lowest income bracket, the labourers who receive $1 an hour. Of course I know that in Fort William we pay our labourers more than $1 an hour. I asked the hon. member if this applies to both sexes because we do not pay our working ladies $1 an hour. I doubt that the wives of any hon. members pay their charwomen $1 an hour.

Some hon. Members: Yes.

Mr. McIvor: These ladies who work in private homes and do decent honest work have as much right to receive $1 an hour as if they worked in a factory or an office. I am convinced that corporations ought to pay $1 an hour for their labourers because this is only fair but as it is well understood today our labour organizations realize what the corporations are making and they endeavour to have the wages adjusted accordingly. I do not know whether or not this bill is in order and I have just a little doubt about that but if it is in order I am going to support it. Thank you.

Mr. S. H. S. Thompson (Edmonton-Strathcona): Mr. Speaker, we presently have legislation for equal pay as between the sexes. The legislation which is presently introduced indicates a minimum wage of $1 per hour regardless of the type of work done by either of the sexes. I would like to ask the hon. member for Winnipeg North Centre (Mr. Knowles) how he brings the two principles into agreement. The provinces have had control of labour legislation because of the wide differences in economic conditions across the country. Subject to an assurance that the legislation will not supersede the proper authority of the provinces and subject to an explanation regarding my first question I should like to fully support this bill.

In his introduction of the bill the hon. member referred to the universal shortening of the work week as being desirable. I feel that in relation to some industries this is questionable particularly when no consideration is given to the particular industries involved.

At the moment we have a serious problem in winter seasonal unemployment. In this connection I think it is particularly true of the western provinces where winter weather is so much more severe. This is a difficult problem for those in the agricultural industry who become unemployed but it also has another effect. Due to the large number of unemployed at that one particular time of the year we have a falling off in purchasing power right across the nation. This is inclined to create a chain reaction such as we are experiencing at the moment which then starts to create unemployment in industries across the land and produces what can develop into a serious condition of general unemployment.

What have been the original solutions adopted to meet seasonal unemployment? Much consideration has been given to this question throughout the years by unions, management, individuals and government. The first solution of course was higher wages

during the working year to compensate for lay-offs. This worked fairly well at first but gradually more people who were regularly employed were able to obtain higher wages and the unemployed person became worse off than ever before due to the increased cost of living. Another attempt made in recent years that met with some success was the promotion of winter employment and improvements in winter construction through scientific methods. This has been of particular assistance to tradesmen but is not of too much benefit to general labourers.

The basic answer to the problem on the part of the government has been unemployment insurance. This of course assisted the individual in enabling him to live during that particular period providing he qualified for receipt of benefits and the government has now acted in the face of a serious situation to improve the benefits which unemployed workers may receive at this time. This, however, does not answer the problem created by the terrific shortage of purchasing power during the winter season and it will not answer the problem facing us this winter.

The unions have recently been considering and advocating a new type of approach to this situation known as the guaranteed annual wage. In some industries which are relatively stabilized this may work and in fact in some instances the unions have been able to negotiate contracts which brought this about. Strangely enough it is not particularly new in developed countries. Some years ago when the price of tea rose sharply in Canada the reason was that the government of India had decided that the tea producers in that country should provide accommodation even if it were a mud hut and should provide food even if it were only rice to the people employed in the tea industry.

I believe that in certain industries we should direct our efforts towards shortening the work year rather than shortening working hours or the work week. This would mean a great change in thinking on the part of most concerned, away from the idea of shorter hours and a shorter work week toward a shorter working year with a paid holiday period falling in the months of January and February. This is already done in one large profession. Although they are not affected in the winter period we have long grown accustomed to acceptance of the fact that those engaged in the teaching profession receive regular pay throughout the year and we do not even think of them as being unemployed during those long periods in the summer when the schools are closed and the teachers are not doing their usual work.

A similar system could be introduced particularly for labourers in fields where their work cannot be accomplished or is economically unsound in the winter months. In this particular group I think it is essential that they be available for work when work is available for them and that it might be wise for them to be on paid holidays in that period when no work is available due to the fact that it simply cannot be performed or conducted at that time. This would have the effect of equalizing their pay and levelling out their purchasing power throughout the year so we would not be regularly thrown into this rise and fall in market conditions across the country.

The thought I have introduced at this time is not of course directly related to the legislation before us but it is an idea to be left before this house for those who may be interested in management, unions or the problems of government in dealing with the serious difficulties created by unemployment at a time when seasonal unemployment is of so much concern to the nation.

(*Translation*):

Mr. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, representing as I do a constituency which is partly made up of working men, I could hardly do otherwise than support every measure which tends to improve the lot of these people. That is why I wish to go on record as favouring the resolution introduced by the member for Winnipeg North Centre (Mr. Knowles).

The main object of the bill is to provide for a basic minimum wage of $1.00 per hour for every employee coming under federal labour jurisdiction, whatever his age or ability, as long as he remains in the service of his employer, that is the government.

This bill would also authorize the governor in council to establish a higher hourly rate for part-time employees, that is for all those who work at least 32 hours a week.

This legislation is not conceived along the lines of provincial regulations regarding salaries. It constitutes a new approach to the matter and is designed to establish a minimum wage on the national level, since as yet no Canadian legislation applies in this field.

In all the provinces, minimum wage legislation (every province except Prince Edward Island has such legislation on its books) merely provides for bureaux where the rate of wages is determined after consultation with the employers and labour organizations concerned. It is generally provided that this wage must be approved by the lieutenant governor in council.

The minimum basic rates established in this way vary considerably among the various provinces and within particular provinces. The highest rates, with the exception of certain rates established for particular industries, is $30.00 a week for men in the urban centres of Alberta, and for both men and women in Saskatchewan. On the basis of a forty-hour week, this rate yields an average hourly wage of 75 cents, and on the basis of a forty-four hour week, an average of 68 cents.

It will therefore be seen that the rate proposed by bill No. 4 goes much farther than the minimum wage rates generally applied in the provinces at this time.

No province has struck a minimum general rate for all its workers. A distinction is generally made, in the provinces, between more experienced workers as well as between communities of various sizes.

Generally speaking, certain exceptions are also made with regard to certain groups of employees such as those belonging to a particular age group or those classified as apprentices.

I am sure that hon. members would find it rewarding to study provincial legislation in this regard before expressing an opinion on the matter.

In principle, this bill appears to be more along the lines of American legislation whereby a minimum wage rate of $1.00 per hour is established for employees under federal jurisdiction. This legislation was originally enacted around 1930 and provided at the time a minimum of 25 cents per hour.

One question which arises immediately is that of determining what effect that proposal would have on wages now being paid to employees who would come under the act.

According to the estimate made by the economic and research division of the Department of Labour, probably no more than 5 per cent, or approximately 20,000 employees of industries subject to federal jurisdiction are now paid less than $1.00 an hour. These are mainly to be found in a limited number of occupations such as the telephone industry, radio, transportation, grain elevators and hotels. The occupations most directly affected would be junior office employees, a certain number of telephone operators and service employees such as cleaners, watchmen, etc.

In terms of costs for the industries involved, the whole thing does not seem to be overly expensive. If this proposal were implemented, it could very well have far reaching effects on the standards of wages in the provinces. It would certainly force the provinces to increase their basic rates. How would this proposal affect the rates paid to more experienced employees? That remains to be seen and considered.

According to available information on surveys carried out in the United States, any minimum wage legislation generally tends, in the long run, to affect salaries paid to other employees, as well as to those who come under the established minimum. By that I mean that if the lower salary ranges were increased, the higher salary ranges would be increased also.

In establishments where there are a substantial number of workers who are at present under the prescribed minimum, a large proportion of these could expect salary increases over the few months following the implementation of this legislation, a fact which would upset the economic balance of the industries concerned.

The major provisions of this bill are along the lines of a recommendation contained in a brief presented to the government by the Canadian Labour Congress on October 21 last, with regard to the establishment of a minimum wage of $1.00 per hour through legislative action.

I believe that on that occasion the representatives of the congress were informed that the Minister of Labour (Mr. Starr) would give serious consideration to this recommendation. I think I can also say that the minister has already under consideration legislation along those lines which he will shortly bring before the house. It will be noted that the house has not been told how this basic rate of $1.00 per hour was arrived at. This matter will require more thorough consideration because of the substantial margin between that rate and the highest minimum rate provided by provincial legislation.

I think there is merit in the suggestion that this matter should be thoroughly discussed so that the house may obtain as many details as possible before coming to a decision.

While I am in favour of this bill, I would like everybody here to give the legislation serious study before arriving at any opinion in this regard.

(*Text*):

Mr. Gordon Chown (Winnipeg South): Mr. Speaker, I was surprised when my hon. friend launched the debate this afternoon to find that the ranks behind him were so thin. Indeed, all I saw over in that corner was emptiness. In view of the history of sympathy for the ranks of labour across this nation of that party I do not for a moment suggest that his absentee fellow members would not in their speeches give support to the legislation we are considering today. To

show that the Progressive Conservative party likewise have their hearts in labour and are in sympathy with the things that they were seeking and sought from the previous government so unsuccessfully. I should like to put on the record the history of our party in this regard.

The Conservative party first gave recognition to labour as far back as 1873 when they recognized the principle of fair wages and reasonable working hours. They set up the first federal machinery to promote industrial harmony between employers and employees. They gave the first recognition to compensation for employees injured at work. They appointed the first trade union member as minister of labour. They gave the first federal aid to provinces and municipalities for unemployment relief. They established the principle of unemployment insurance and set up the first national employment bureau. They established minimum wages, limitation of hours of work and fair wage contracts and, to show the country that you should never underestimate the power of a woman, in February, 1953, the Secretary of State (Mrs. Fairclough) first introduced a bill to provide equal pay for men and women in the same occupation.

She presented the bill again in November, 1953 when it received only first reading. In April, 1954 the bill was presented in the house and at that time it was voted on and defeated by a vote of 109 to 78, although several members of the previous administration supported the bill. In February, 1955 it was again defeated by a vote of 107 to 83. In January of 1956 the bill was placed on the order paper. In August, 1956 the previous administration brought the same bill in and it was passed. In that field our party forced on the previous administration, through the efforts of one of our outstanding members, legislation applicable to both sexes across the country.

Since the government has been in power it has already taken steps to combat the problems of unemployment by the very sweeping changes in the unemployment insurance benefits that were passed yesterday with the consent of all members of the house. Indeed, the government has on deck a bill to provide for statutory holidays with pay, one week in the first year of employment and two weeks thereafter.

Then to show that our interest continues in the problems of labour, a great number of whom live in my constituency of Winnipeg South, particularly in St. Vital, our party is on record that it will do all in its power to maintain full employment with the highest possible standard of living, and towards that end it has already provided indirect legislation. For example, there is the legislation to provide cash advances on farm-stored grain. That is a measure which will put in circulation a great deal of money, namely $150 million. Such money will provide additional employment and additional wages pursuant thereto for many people in western Canada.

The government has under review, and I am sure the Minister of Labour (Mr. Starr) has made this clear, national labour legislation which they are considering in consultation with labour, management and all levels of government. Towards that end they have under consideration as well the need or lack of need for compulsory arbitration as an instrument in settling labour disputes, the elimination of delays in conciliation procedures, the limiting of hours of labour and the provision of vacations with pay for workers under federal jurisdiction, which is already on the order paper. In addition, as I have already pointed out, they have brought into the house changes in the Unemployment Insurance Act which will undoubtedly benefit a great number of people who for the time being during this temporary set-back are without employment for a longer period of time than is usual.

Therefore I think we can well be proud of the efforts that have been made by this party throughout its long and glorious history. We can assure with confidence hon. members across the way that all aspects of labour-management problems are already under consideration by the cabinet and indeed have been discussed by private members with private members and by private members with the cabinet. But you cannot build Rome in a day. We have not been encouraged by some of the antics of some of the opposition members in our desire to bring before the house as expeditiously as possible and in the interest of everyone's Christmas holidays the legislation that was set down and considered in the throne speech debate. I think it is necessary as far as members on all sides are concerned that we should move forward without any further delay to endeavour to consummate before Christmas arrives what we offered to the public of Canada before June 10.

I am one who in the practice of law has had the privilege of representing both management and labour. I represented management as an alderman of the city of Winnipeg where I was a member for three years and chairman for one year of the committee on personnel and legislation which dealt with all wage problems brought before it by the federation of civic employees. On the other side of the fence, it was my privelege to represent the firefighters of greater Winnipeg and the municipal police forces of greater

Winnipeg in their labour negotiations with management in the various municipalities surrounding our great city.

Therefore I am not one who walks on either side, favouring management or favouring labour, but one who has sought out on all occasions a compromise agreeable to both parties. I think the point of order which was raised dealing with the appropriation of public funds to meet the costs of crown corporations and other contractors and units of the federal government was very well taken, and it seems to me that in clauses 5 and 6 the hon. member for Winnipeg North Centre (Mr. Knowles) has encroached on an area which I, with the experience I have outlined to the house, consider part of the bargaining and conciliation procedures that must of necessity take place towards the acquisition by labour of certain fringe benefits.

In the experience I have had I have found that these are benefits that work in favour of labour as an instrument for compromise, and to legislate them into existence through this bill as an adjunct to the clause providing for a general minimum wage or $1 an hour is, in my opinion, going beyond the intent that the hon. member had in mind when he first brought the bill into the house. I would be more sympathetic, by a great degree, to the principle involved here if these two clauses had been omitted.

There is another point which I feel deserves consideration and that is—

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question? Is he not aware of the fact that the clauses of the bill to which he is referring, perhaps improperly so under the rules but I am not raising that point, do not add additional benefits but are inserted there merely to make sure that the benefit that is provided will not be subtracted from by some subterfuge?

Mr. Chown: It may be that the hon. member's point is as outlined, but my concern with it is this. In certain instances, under existing agreements, there may be no provision whatever for the contents of clause 5. Then, in the normal course of events and through changing practical application of the company's purposes for existence, this may become the subject of negotiation in agreements in the future and in my opinion might deprive the union of an instrument or weapon with which to negotiate—and this has been my experience with fringe benefits—which would lead to the consummation of a happy agreement. For that reason I would rather have seen that clause in particular omitted. I think it is the minimum benefit which the hon. member is getting at in clause 6, which concerns the minimum benefit for the provision of meals, board and room in certain areas of industry across the country, mining in particular.

Mr. Barnett: Would the hon. member permit a further question? Would he not agree that if this clause were not in the bill an employer could pay an employee $8 per day and then deduct a $5 per day charge for board?

Mr. Chown: I cannot agree with that thinking, because I would not expect the business agent of workers in that area of employment would agree to such terms provided the workers were organized. I know the hon. member is speaking probably of workers who are not organized, but I cannot envisage that happening in the field of operation where board and room is involved because there would be few workers who were not organized. If they were organized, I think the practical experience—I cannot cross the country and I do not know what the regional situations may be—would be to the contrary. It may be that that is not true of the maritimes, for example.

Again I feel that this is better left to the field of conciliation than to be provided for in legislation and enforced upon employers across the nation.

Mr. Barnett: I do not think the hon. member knows much about collective bargaining.

Mr. Chown: I outlined my experience earlier, and probably it is greater than that of the hon. member who made the comment.

Mr. Knowles (Winnipeg North Centre): Oh, no; and I know both of you.

Mr. Chown: Perhaps the thing to be considered by the house is the fact that there is a conference on the uniformity of legislation across the nation which takes place just a week or so before the Canadian Bar Association convention.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Government House,
Ottawa,
November 28, 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 28th November, at 5.45 p.m., for the purpose of giving the 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)

A message was delivered by Mr. C. B. Larose, Assistant 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 to amend the Unemployment Insurance Act.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

INDUSTRIAL RELATIONS

PROVISION OF MINIMUM RATE OF WAGES FOR EMPLOYEES

The house resumed consideration of the motion of Mr. Knowles (Winnipeg North Centre) for the second reading of Bill No. 4, to provide for minimum wages for employees.

Mr. Chown: Before we rose at six o'clock, Mr. Speaker, I made brief reference to the work of the commission on the uniformity of legislation under the auspices of the Canadian Bar Association. Every year that association, meeting in convention, has done very valuable work in connection with provincial legislation in promoting uniformity of legislation with regard, for example, to acts dealing with bills of sale, chattel mortgages, and conditional sales, besides—getting nearer to the subject—with the matter of the workmen's compensation acts of the common law provinces of our country. The commission is, no doubt, about to consider other labour legislation which is already on the statute books of the provinces, and in this useful service they are making a great contribution, without any interference by federal legislation, in this field.

I know that as late as October 21, 1957, the congress of labour submitted to the dominion government and cabinet their memorandum on what they are seeking in the form of labour legislation from this new government, and on page 17 thereof they said in part, and I quote:

But the dominion should not confine itself to doing as well as the best of the provinces. It should give a lead. It should, specifically, establish a legal maximum work week of 40 hours and a legal minimum wage of $1 an hour. This is not really a very drastic proposal. About 65 per cent of all plant workers in manufacturing now have a standard work week of 40 hours or less; so have all railway workers and a host of others.

So, they dwell primarily on this point of a 40 hour week. However, a little later they go on to say, and I quote again:

As for the minimum wage, there must be precious few workers in industries under dominion jurisdiction who are not getting at least $1 an hour. In some industries under provincial jurisdiction a minimum of $1 an hour might be hard to apply immediately, but in most provinces the legal minimum rates are preposterously low and if parliament set a minimum of $1 an hour for industries under its jurisdiction, that might provide a spur to the provincial laggards.

In its own submission, the Canadian Congress of Labour, by using the words "a minimum of $1 an hour might be hard to apply immediately" would indicate that having tapped the information available to it, the congress recognizes that there could be some difficulty in the application of federal legislation of this sort right at the outset.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question. Was that the end of the quote?

Mr. Chown: That was the end of the quotation. I went down to the words "provincial laggards".

Mr. Knowles (Winnipeg North Centre): Would the hon. member repeat the part of the quotation he used, when he stopped before he got to the reference to the provinces?

Mr. Chown: I did not stop before the reference to the provinces. I went right through the quotation, as you will find by reference to *Hansard* if you read it tomorrow.

There is something which arises out of that quotation which was brought to our attention by the hon. member for Inverness-Richmond (Mr. MacEachen) when he said there were certain depressed areas in the economy of the country where in present circumstances, subject to change by the new administration, it might be most difficult for employers to pay the minimum wage of $1 an hour suggested by this legislation, and that it would not be in our best interest to impose on provincial governments dealing with these

depressed areas a wage rate which they in their present financial situation cannot possibly meet immediately.

Another thing which comes to mind is the question of casual employees. All of us have had some dealings with this matter in the past and have found that because of the stringent application of provincial legislation a certain hardship has been worked on people who are advanced in years, for example, and who are perhaps not able to work full time, or who, if they can work full time, cannot work to full capacity. This situation occurs when a person is suffering some physical handicap and in cases where the nature of the work is such that it can, perhaps, be done by a child, for example, but is made available to some one who requires some sort of income to supplement an old age pension.

This legislation would encroach on the supplemental earnings of many of our older citizens, and bring hardship to bear on them, because it would be necessary for the inspectors who we would have to employ under this act to prevent these people, or their employers, from engaging in this sort of relationship notwithstanding the fact that the employee might be perfectly satisfied to take less than the legal minimum of $1 because the amount he was earning did provide supplementation to a war veteran's pension or to a disabled person's pension or to an old age pension. That is a conflict which might arise if such legislation as this, or even, indeed, certain provincial legislation, were applied too stringently.

So for all these reasons, Mr. Speaker, I feel that labour should be given the opportunity to follow up the brief which they submitted to the cabinet, perhaps to the industrial relations committee; make their representations, go into all the details of the possible difficulties I have endeavoured to outline, and then come forward with a well thought out act to be proposed by the government for the consideration of parliament after all these things have been thoroughly discussed and a greater degree of unanimity has been reached as to the terms and conditions to the act than is apparent at the present time.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, this act, an act to provide minimum wages to employees is, I feel, a very important act, and the hon. member for Winnipeg North Centre (Mr. Knowles) is to be congratulated for having brought the matter to the attention of the house. The legislation has a great deal of merit and whether it should be proposed as a motion on the order paper or whether it should be brought into the house as a bill might be debatable. However, it is my opinion that this question should receive the attention it warrants.

I feel that the government should be the first to recognize it has an obligation to those over whom it has jurisdiction. In introducing his bill the hon. member for Winnipeg North Centre read from the explanatory note or perhaps the text of the bill itself which we have before us but he did not enunciate in specific terms exactly which groups would be involved should this bill become law. The hon. member should be given an opportunity to outline to the house how many individuals might be involved and those industries to which he had particular reference in drafting the bill.

In this day and age it is unthinkable that any one should be able to pay an employee less than $1 an hour. We in this house recognize the tremendous increase in the cost of living and we found it necessary to increase the pensions of the aged, the disabled, the blind; to increase the war veterans allowance and assistance under the Old Age Assistance Act in order that the recipients of these welfare payments would be better able to meet present day costs.

The bill before us relates to individuals who are doing work in an industry whether or not it is a government-operated one. In this regard I would point out that our minimum is definitely too low. Costs are an important factor, of course, and must be borne in mind but I feel that the additional work we would get from an employee if we paid him a fair wage would be ample compensation for whatever increase might be granted.

As I listened to the hon. gentleman who introduced the bill I wondered in exactly what category temporary employees engaged by the Post Office Department would come and whether or not they would be affected by this proposed legislation. If they do come under the provisions of this bill then I would accept that as one of the reasons why we have so much difficulty at the Christmas season in securing adequate temporary help to handle the additional mail.

In crossing the country I have frequently discussed this and similar problems with those with whom I have been associated. I discovered that some of the individuals who work in our national parks receive a sum considerably less than the figure quoted in this bill. Choosing an example at random I would point out that the waitresses employed in the hotels in the national parks are dependent for a large portion of their livelihood upon the whims and fancies of philanthropic people who are prepared to reward them for their services in the way of tips which help to augment their salaries.

Recently a friend of mine who is a business executive and frequently has occasion to

travel across the country drew this very question of tipping to my attention. My friend felt that individuals receive sufficient money in the form of salary and should not be given gratuities and went on to suggest that if they did not receive a sufficient wage it should be increased so they would not be forced to rely on the philanthropic individual who is prepared to give them a few cents for the small extra services performed for him. I believe we should pay people in these circumstances a sum sufficient to enable them to live comfortably without depending on gratuities the general public might give them. The people who depend on the receipt of tips dislike being forced into the position of parasites just as much as would an employee who receives a fair wage.

I have frequently asked myself about the question of those civil servants who are not doing the jobs they should be doing. That is not just an irrelevant statement, it is a matter of fact. I am sure that hon. members in this house have frequently heard from their constituents about cases of this nature. Frequently we are told that some of our civil servants are just not doing the job they should be doing. Whether or not an individual is a civil servant and whether or not he receives $1 an hour the fact remains that if industry in the surrounding area pays more than $1 an hour or more than the wage he receives for doing a similar type of work or for the time spent in doing a specific job you have a disgruntled employee.

Naturally enough, if you are going to pay someone less than $1 an hour you are going to have an employee who is worth less than $1 an hour and if he is worth more than that sum it is reasonable to assume that the only reason he stays on the job is because he has no other job to which he can turn. In some instances he may be a person raised in an atmosphere of fear concerning the loss of his job and his inability to secure other employment. As long as such conditions exist they will not be conducive to an employer receiving from an employee the best service he can perform.

One hon. member opposite in the Liberal party mentioned that the provisions of this bill would not add to the cost of production and I would agree with him because, as I said earlier, if the present rate of pay of an employee is lower than that offered by industry in the surrounding district for comparable work the employer will not get his dollar's worth in terms of productive labour and if the employee is paid less than $1 an hour the employer will receive performance in like kind.

[Mr. Hahn.]

Mr. R. H. Small (Danforth): Mr. Speaker, when the bill was introduced by the hon. member for Winnipeg North Centre (Mr. Knowles) he expressed the view that is common to most of us, that we are in general accord with the principle of the bill. The first time this legislation was presented was by the Bennett regime in 1934 when Canada agreed to conform to the international conventions of the League of Nations and the legislation that followed was declared ultra vires on the question of split jurisdiction. He covered the general purposes fairly well.

With respect to a minimum wage, I can recall when the matter was first introduced into and adopted by the city council of Toronto some years ago. It was more or less sponsored by James Simpson, who was active in the trades and labour councils of that day. They desired to have a minimum wage on all work pertaining to the city of Toronto. Pratically all of the labour men endorsed the idea but Jimmie Simpson pointed out that a minimum wage eventually became a maximum wage. The unions did not have the strong status they have today. Instead of calling it a minimum wage, Mr. Simpson had it accepted as a fair wage.

To see that it was enforced they had to appoint a fair wage officer and the fair wage officer was probably someone who just filled in from another department. He was not very conversant with the demands for labour at that time, and there was considerable difficulty in having the provision adhered to in the work that was being done by the various contractors for the city of Toronto. It was confirmed at that time that 50 cents an hour was the amount that should be paid to ordinary labour. Skilled labour at that time, as it is now, was generally paid a higher amount and did not come within the purview of the provision.

Then, the time came when there was unemployment. There was no unemployment insurance at that time and they had to make provision, on a welfare basis, for the people in Toronto who were out of work. That was done mainly through the removal of snow. One of the other controllers, who employed labour, conceived the idea that the way to make more work was to place more people on the snow removal and he also thought it would be a good idea to have the fair wage minimum reduced to 45 cents an hour. He was not successful in doing that; the amount of 60 cents an hour was maintained; but the point I am trying to make is that a minimum wage eventually has a tendency to become a maximum wage in the ordinary flow of lower grade workers, as I might call them.

I can remember the discussions that went on, and it was always the desire of the council to create more work. Only a certain amount of money was appropriated and when that was spent there was the usual wrangle to get more. In some winters the necessity for snow removal was not very great because there was very little snow to remove. At other times, when there were severe storms, they did not have a sufficient labour force to move the snow, and even if they did have a sufficient force they could not move it in the time required.

As the war came on they resorted to mechanical methods of removing the snow. Therefore, they reduced the labour force and they moved the snow by mechanical equipment at a considerably smaller cost.

Then there is the question of talking out this bill. Everyone who has spoken here today has said that he is in favour of the purpose and the principle of the bill; but no one is being deluded. No one can be fooled. Everyone knows that this is a case of jockeying for what might be called position. We witnessed the same performance when the hon. member for Hamilton West (Mrs. Fairclough) sat on the opposition side of the house and introduced her bill calling for equal pay for female labour for equal work. We all know what happened. For three or four years in a row the matter was talked out because it was not expedient, in the eyes of the government of the day, that a bill should be brought in by a private member, because it did not give them the necessary kudos to go to the people and have to admit that some person on the side benches or in the opposition had brought in such a bill. We are in the same position. We do not intend that legislation such as this should escape us. It is covered here very amply.

The hon. member for Winnipeg North Centre was very fair in his statement today and no one can complain about that. No one can complain about his having the desire or the initiative to try to get this legislation on the statute books in his name and in the name of his party. That is fair in the hurly-burly of politics. Each one of us is striving for the ascendency of his own party.

When the Canadian Labour Congress met here on October 21 they presented their memorandum to the government. They covered what I would call the whole gamut of the scale. They outlined what they desired of the government, what they approved and what they disapproved and related the hopes they had for the future. At the conclusion of their memorandum the Prime Minister (Mr. Diefenbaker) replied and said this:

> No one reading this document or hearing it read, would have any doubt that it had covered in general most of the problems of our country, not only in relation to labour, but in relation to the economy as a whole. Your representations will receive mature consideration, based upon the emergency nature of some of the representations which we believe at the present session will have to take precedence over many others that we would like to deal with.

I could read further from the Prime Minister's comments. The congress delegation were very fair in making their presentation. The government received them and listened to them very carefully and I think attentively. I think the Prime Minister left a favourable impression on the delegation and indicated that he intended to do something about most of their problems. I think the hon. member for Winnipeg North Centre will agree with that.

Mr. Knowles (Winnipeg North Centre): The former cabinet also listened attentively.

Mr. Small: But there is this vast difference. Since the present government listened to them they have implemented two or three things that I can recall. They rescinded the regulations that discriminated against married women so far as unemployment insurance is concerned. They have extended unemployment insurance benefits to take care of the unemployment situation. Six particular items have been brought down since the session opened and probably three or four more will be dealt with, since the government has the benefit of the wisdom of the Canadian Labour Congress. The government is implementing its promises as fast as it is possible for it to do so. The only difference that has come up in this house is that we are accused of having made very many promises, which is quite true, and various remarks are made about how we are fulfilling them. Some say that we are not accomplishing them to the full, down to the very percentage point. Others say we are not getting the legislation through fast enough, but the fact is that we are taking our promises one by one and are fulfilling them having regard to the expediency and emergency of the situation. I think you will find that the people of the country will realize that the government is endeavouring to meet its promises, and as time goes on I think that even the opposition will say that we have done a very good job.

Mr. Knowles (Winnipeg North Centre): Will the hon. member permit a question? Do I gather that the hon. member and his colleagues really support the idea of minimum wage legislation but want to vote for it on

their own motion rather than on a bill from the opposition side of the house?

Mr. Small: You have described it aptly. Do not let us fool ourselves about this.

Mr. Knowles (Winnipeg North Centre): That is quite an admission.

Mr. Small: Well, as far as I am concerned it is.

Mr. Knowles (Winnipeg North Centre): You will not vote for it just on its merits but you will consider it depending upon which political side it comes from.

Mr. Small: We are taking the matter as the Canadian Labour Congress presented it to us and they have enunciated it very well. I will not read the whole memorandum but there is one clause in their presentation that struck me as being very appropriate to the situation. The Canadian Labour Congress said that a judicious relaxation in monetary policy would also help. They went on to say further in their presentation to the government:

> The situation is markedly different from what it was when the tight money policy was adopted.

That shows they are cognizant of the effort that the government made last summer when $150 million was made available to help the building and construction trades. That is now bearing results in relieving the situation created by the tight money policy that was in effect and the situation will continue to improve because $200 million more is being made available to keep that industry going. The money will be available in the right places at the right time in order to help the right people.

An hon. Member: In Ontario?

Mr. Small: No, that is the game you were trying to play during the election. You were trying to set one province against another.

Mr. Hardie: What was your game?

Mr. Small: This money was made available to any province that wanted to apply for it in order to build homes for the people who needed them.

Mr. Murphy (Westmorland): One-half of one per cent for the maritimes.

Mr. Small: The maritimes are being looked after and better than when you people were looking after them.

An hon. Member: Don't try to be a leader. You cannot.

Mr. Small: I think the official opposition should be the last people to say anything about what is being done for the maritimes.

[Mr. Knowles (Winnipeg North Centre).]

The government is now fulfilling its promises and it is probably hurting to the extent that the opposition are now trying to outbid. When their convention is held you will see the greatest bid ever made to the people of Canada to try to encourage them to support the Liberal party. They have not done anything about a minimum wage bill since 1934. They are the ones who took it off the statute books, and even though it was ultra vires it was good legislation. At that time the government of the day thought it was the right thing to do because it was under the aegis of the League of Nations but the Liberals opposed it. Why? Because it came from that man they cursed up and down the nation the late Richard Bennett who put such good legislation on the statute books that right down to the last sentence the Liberals took it over and put it back upon the statute books of the country.

Mr. Knowles (Winnipeg North Centre): The Liberals were against that other bill because it originated with Mr. Bennett and you are against this bill because it comes from the C.C.F.

Mr. Small: No, we will line up behind this and we will support this bill.

Mr. Knowles (Winnipeg North Centre): Good.

Some hon. Members: Let us vote.

Mr. Small: Sure you would like to vote.

An hon. Member: Of course we would. How about you?

Mr. Small: Then there is the legislation brought down by the hon. member for Hamilton West. That is an example of what you did when it came to voting. You did exactly the same thing as we are doing tonight.

Some hon. Members: Oh, oh.

An hon. Member: Let us hear about that.

Mr. Small: We are going to bring in this bill. It will be brought in under the aegis of the Conservative government after proper thought and consideration has been given to it. It will probably be broader and wider and go farther towards meeting the wishes of the labour people. There will not be just one little piece of legislation that will be brought down.

Mr. Knowles (Winnipeg North Centre): What portfolio does the hon. member hold since he seems to speak for the government?

Mr. Small: I do not hold anything and I have never aspired to hold anything.

An hon. Member: You probably will not be here when the vote is taken.

Mr. Small: I will be here, don't worry. I should like to remind hon. members of the old fashioned labour days under Samuel Gompers whose goal was to attain a roof over the head of every worker and three square meals for every worker 365 days of the year. He was the old fashioned type of labour leader. He did not pin his faith on any one political party. The former A.F. of L. labour union to which I belonged always adhered to that. They always maintained that they would support the party that looked after their interests. If the labour people of this country follow the concept of Samuel Gompers they will go far, and keep going in the right direction. There are certain things I should like to mention with regard to that.

Mr. Gauthier (Portneuf): You still have ten minutes to go.

Mr. Small: Minimum wages are set out in a memorandum I have and nowhere in the country does the minimum wage exceed 75 cents an hour. In Newfoundland it is 50 cents for men and 35 cents for women. In Nova Scotia it is on a weekly basis and the figures are $16.80 a week in the larger centres and $14.80 in the smaller centres. In New Brunswick the rate is 50 cents an hour for women working mostly in specialized trades. So far as Quebec is concerned, on Montreal island the rate is 60 cents for Quebec city and other municipalities it is 55 cents and for the rest of the province 50 cents. If you go through them all you will see that the situation is the same. This is a little more important than appears on the surface. If a minimum wage of $1 an hour is adopted it will be some time before it can be enforced because the provinces will have to make adjustments. If I had my way I would make the amount a little higher.

Mr. Knowles (Winnipeg North Centre): Tell us what the minimum wage rate is in Ontario?

Mr. Small: I will give it to you. It is no higher than the rest; it runs from 75 cents to 80 cents. It covers a wider ambit. It is the same as in Alberta and British Columbia, where the going rate for mechanics or tradesmen is around $1.50 per hour and up. Probably the minimum wage in none of the provinces exceeds that of British Columbia which is 80 cents per hour. I am not trying to set up one province against another or say that one is any better than the other. However, we are going to need something more than the mere passage of this bill and putting it into force.

Before resuming my seat, there are many other things in connection with this subject that I should like to bring to the attention of the house and which were not mentioned in the labour brief. Probably they do not have very much to do with the government, but they are things upon which I have had strong feelings for some considerable time. I feel there has to be a re-alignment or adjustment in the ranks of labour itself. It is all very well to pass legislation of this type and to attempt to regulate business, but I think the time has come when in this country we are going to have to enact labour legislation of our own, set up our own courts, lawyers and judges that will handle this situation in Canada for Canada. There should be no dictation from outside, either by management or by labour. We should set our own rules, make our own decisions and labour as well as management will have to conform to them.

This is not a one-sided affair or we would not be experiencing the situation we have with regard to the seamen down on the St. Lawrence. I think the member for Winnipeg North Centre knows exactly what I mean. When you find gentlemen amongst the ranks of the upper brass of labour who should not be in the country and have no right in this country if the laws of the land were enforced, then I say labour itself has got to conform to certain rules and regulations. This must be done if labour is to have an organization, as we would want it to be, above reproach. Therefore, these things will have to come into being.

Personally, I would work to obtain all the things mentioned in the memorandum here, plus all the things I have mentioned. We do not want any repetition of the episodes that are taking place south of the border which are bringing labour into disrepute. Labour does not deserve this because the people who are bringing disgrace upon the movement form a very small fraction of the movement. Such episodes could occur in this country unless we wake up and establish laws in this country that will regulate labour for the benefit of Canadians. The sooner that is done the better it will be for the Dominion of Canada.

Mr. J. W. Kucherepa (High Park): Mr. Speaker, it gives me a great deal of pleasure to be able to make a few observations on this important subject of minimum wages for employees. There is no question but that there exists a hiatus in our labour legislation as long as no provision is made for a minimum wage in Canada. What surprises me, indeed, is the fact that in years gone

by such legislation was not enacted. It is hard to conceive, having in mind the highly industrialized development of Canada and the long and noble history of labour unions, that legislation covering such an important subject has been overlooked. Perhaps there are difficulties in the drafting of this kind of legislation which would be satisfactory to all parts of Canada.

I can foresee variable factors, such as differences in the cost of living as manifested by such items as the cost of rent, the cost of food, influencing what would be a suitable minimum wage standard in the different parts of Canada. Again, the nature of the occupation would have to be taken into consideration in establishing a suitable minimum wage. Some occupations are undoubtedly more hazardous, some are more arduous, some are more demanding of skills than others, while still others require special contributions which may not be common to all situations. These factors certainly increase the difficulty in arriving at a figure which would be both fair and adequate to meet the needs of the working man in all parts of the country.

Again, the setting up of what might appear to be a moderate and fair sum may within a very short period of time be viewed as an almost niggardly amount, especially if the buying power of the dollar continues the path it has followed during the past 20 years or so. I can well remember, Mr. Speaker, that after graduating from high school and following a special course in commerce I was able to obtain employment at the handsome sum of $12 per week, with a $2 deduction for five lunches which were served me during the week. This took place not so long ago; in fact, it was in the late thirties. It would be better, sir, in establishing such legislation to take into account the cost of living index. By tying this cost of living index to the minimum wage, we would thus ensure labour its rightful reward for services rendered. The $1 per hour rate outlined in the bill which is before us may be adequate for some parts of the country, but I am sure that in the high cost of living sections of this country this provision is totally inadequate.

Provincial legislation in some of the provinces may be more efficacious than the proposed bill. However, I do not think that this nullifies the necessity for such legislation, nor does it detract from the principle contained in this bill. What is desirable, however, Mr. Speaker, is, as I have outlined, a provision which would assist the greatest possible number of people throughout the entire land. Under present circumstances the minimum wage earned in many sections of the country has to be greater than that proposed by virtue of the higher cost of those essentials to life which people must provide for themselves. In the light of these circumstances the present proposal looks rather small and inadequate.

Looking at the problem in a general way, it appears that the only real solution to this problem is to take into account the cost of living and tie the minimum wage per hour to this figure. Otherwise we are failing to meet the problem face to face. I know in the area from which I come an amount such as $40 per week, based on a 40-hour week at $1 per hour, would be totally inadequate for any person to say nothing of those who are the breadwinners. This legislation would serve some useful purpose only if wages were to come down, but no purpose whatever when wages are rising. The important thing to keep in mind is, what will this dollar buy? If the basic commodities are priced high, then the standard of $1 per hour would be entirely futile. Certainly in the light of our observations during the last two decades, the dollar is buying less and less all the time.

There is still another aspect of the $1 per hour minimum wage proposal which I feel is worthy of mention, and that is the consideration of including a clause to that effect in all government contracts.

We who are believers in this principle of a minimum wage per hour should also give deep and thoughtful consideration to whether the contracts let out by the federal government contain assurance that the spirit of this minimum wage principle is incorporated within those contracts. It should be a matter of concern to us that fair wages are being paid on government works. Then it would be a matter for government officials to make certain that not only is the minimum wage per hour being paid but also, in keeping with this principle, that the minimum wage per hour be consistent with a fair wage for a particular region of the country, in keeping with the standards of living and the cost of living in a given area.

The hon. member for Danforth (Mr. Small) has pointed out that in the city of Toronto, of whose local government I also happen to be a member, we have a fair wage clause considered in all the contracts that we let. In other words, our fair wage officer investigates the person who sends in a tender on a given contract in order to find out whether he pays what we consider to be a fair wage in our area. I think such a principle might well be considered to apply to any part or to any region of Canada.

Does a minimum wage per hour as outlined in the bill before us satisfy the requirements of such a fair wage? If we answer that question, then we must come to the conclusion that a minimum wage per hour must be such that it will be guaranteed by some means which would take into account the variables to which I have already referred.

In conclusion, Mr. Speaker, I must say that the principle of a minimum wage is a sound one and one with which I heartily agree along with other hon. members of this house. I am concerned, however, whether we are protecting the best interests of the working man when we set an arbitrary figure which does not guarantee against any depreciation of the buying power of our dollar. There is also the problem of applying such a standard to an area where the cost of living is so high as to nullify the good motivation which is contained in the legislation which we have before us. In so far as the minimum rate of $1 per hour is concerned, these are some of the problems which require a solution in order to bring about in this field sound legislation which would assure the working people of this country a decent minimum rate of wages.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have come to the conclusion that we have in the house tonight a great party, the Progressive Conservative party, that great friend of labour. But let us tell our labour friends that they are great only in that we have heard some very silly remarks put on *Hansard* not for the purpose of supporting this great labour movement which they profess to support but in order to talk out a very minimum bill; and may I say that when we ask for $1 as a minimum wage, we are certainly asking for the very minimum.

An hon. Member: It is better than you have ever been able to do.

Mr. Peters: If the Conservative party feel that they have people employed to whom this act will apply, that it is going to cost a few dollars somewhere, they certainly should hide their heads in shame. If they assert that they are Progressive Conservatives, I would say that tonight there are no progressives but rather a great number of conservatives. Let us take a look at the rate of $1 an hour for a wage in this atomic age. We heard today from a gentleman who represented a mining community. I refer to the riding of Churchill. He went on to say that the miners in that area had worked for so much money so many years ago and pointed out what a great debt they owed to the mining industry. I worked in the mining industry, I am sure as long as has anyone in this house and I certainly owe nothing to that mining industry because everything that I received out of it I worked extremely hard for. I might suggest that when I started to work in the mines in 1940 the rate of pay was $4.64 a day; the rate was 58 cents an hour. We did not accomplish more than that rate because of a Progressive Conservative government giving a minimum wage law of $1 an hour.

We also heard the farmers speak of labour and how this minimum wage law would affect the farmer. I do not know whether this has something to do with immigration policy or what the situation is, but I can tell you, Mr. Speaker, that farmers are going to go bankrupt if they sit around waiting to hire men for $65 a month. I live on a farm. We pay our hired men three times that amount. Even the Ontario compensation board will allow another $45 for his room and board; and I may say that in calculating wages the compensation board is not very generous. I can assure the hon. gentleman of that fact. If labour on a farm receives the rate of $150 a month which is not an unusual amount to pay on a farm for labour —and I suggest that that labour should also work for a reasonable length of time—he will be getting $1,800 a year. Then if you add another $540, he will receive more money than would be paid under this minimum wage if the man is working a 40-hour week. He will be receiving $340 more than this minimum wage and I do not think that that man is overpaid but I think the other is underpaid.

We have also heard some labour people—and I suggest that labour would not recognize them—speak in support of that valiant party that the old A.F. of L. supported. Frankly, it is my opinion that they never supported any political party and that is one of the problems that we face today. If they support a party, then that is probably what is being asked for tonight.

This act, I would suggest, will be something for the people of Canada. It is not going to cost the government any money because I am sure that representatives of all parties in this house would not be satisfied to see any of the workers under their jurisdiction receiving a dollar an hour or less. I am sure that they would all be in agreement that the payment of any employee under their jurisdiction should be far greater than that. But we find in Canada people who are still working for less and they continually look towards the provincial minimum wage laws as an "out"; and the provincial labour departments continually look towards federal labour jurisdiction for an act on which they can pattern

their own provincial acts. I suggest that the Progressive Conservatives remember that word "progressive" and, instead of trying to talk this bill out, give it their support in the only way in which that support can be given, namely with a vote, and that they allow the vote to be taken immediately.

Mr. W. H. Jorgenson (Provencher): Mr. Speaker, I should like to take just a few moments in which to deal with this bill inasmuch as it affects the people in my constituency. If we were to listen to the hon. member for Selkirk (Mr. Bryce) perhaps I should not get up and talk here at all, because he stated that lawyers should not be talking on farm bills. If that is true, I have no right to talk on a labour bill. But this bill does affect the people I represent, and therefore I should like to make a few comments on it.

I am sure the hon. member for Winnipeg North Centre (Mr. Knowles) is quite sincere in his desire to help the people he represents, and I am equally sure that his colleagues, particularly the hon. member for Assiniboia (Mr. Argue), who has been a very able spokesman in this house for the farmers, is equally sincere.

But there are some difficulties, as I see the situation. I fear this bill is going to create an imbalance between industry and agriculture. There are real problems which exist in agriculture today. The price of the things we have to buy is increasing, while the price of the goods we have to sell is falling. This is a real problem and the disparity has been growing apace in the past few years. I would not suggest for a moment that wage increases are the only course of price increases. Indeed in these days of automation and organization wage increases in industry represent a very small portion of those price increases. But to the small businessman in towns in rural areas this presents a problem.

I should like to give the house just one example. I know of a businessman in my local town who wanted to hire extra help for the fall months. I think most hon. members will know that the margin of profit in most of these small businesses is very small. This individual managed to secure the services of an old age pensioner who was very happy to supplement his meagre pension, and they agreed on a salary, but the businessman was later informed that he was violating the minimum wage law of the province. Consequently he had a choice of increasing his wage or of letting the man go. He chose the latter course.

Now this was a disadvantage for both, and I am sure that this bill is not going to help the situation. In the result, the old age pensioner lost his opportunity to supplement his income, and the businessman could not provide the type of service that he wished to provide for his customers who were mainly farmers, without increasing the cost of what he had to sell. He could, of course, have complied with the regulations, but that would have meant increasing the cost to the farmers.

This appears to be the confused philosophy of the C.C.F. group—playing both ends against the middle; giving a great deal of lip service to the needs of the common man, yet advocating policies which would prevent him from making decisions which are rightfully his. I do not deny to organized labour the opportunity or the right of collective bargaining, or the right to achieve for themselves the highest standard of living possible, but I do believe that we should not assume the responsibility for arbitrarily determining what wages should be.

I, for one, would be interested to hear what the farmer members of the C.C.F. party will say about this bill. I note they have been strangely silent up to now. I feel that the passing of this legislation will be another stage in increasing the disparity between conditions in industry and on the farm.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Jorgenson: I am through.

Mr. Knowles (Winnipeg North Centre): What would be his attitude to this kind of a minimum wage bill if his own government brought it in?

Mr. Jorgenson: My attitude, as far as I am concerned, would be that it would have an adverse effect on agriculture.

Mr. Knowles (Winnipeg North Centre): How would you vote?

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I had great hopes for the hon. member for Provencher (Mr. Jorgenson) when he came to this house. I thought he might bring a breath of fresh air from Manitoba to the government side of the house, and that in this new government with its many new members we should not see so often a repetition of the kind of thing we have experienced in this house for so many years. But I see that the hon. member, after a few weeks experience in this house has become as adept in talking out, and in pitting farmer against labour as a great many other members have succeeded in being after many years in this place. I will always be prepared to stand in my place in this chamber and say that any person who does an honest day's work is entitled to an

income in keeping with that honest day's work, and I do not believe you help the agricultural industry of this country by promoting and maintaining depressed wages and depressed areas in this country.

I have read the brief of the Canadian Labour Congress which was presented to this government a few weeks ago, and far from suggesting that there was any basic conflict between the people who work on the farms and the people who work in industry, organized labour came out in full support of the position of agriculture. In support of that contention I quote from the brief at the bottom of page 7:

> We are alarmed by the drastic fall in farm income. This is bad for the farm people, most of whom are far from rich, and who still make up one-sixth of the Canadian population. It is bad for the economy generally, which is still heavily dependent on exports, of which farm products make up about one-quarter. It is also bad for Canadian workers, for whose products a prosperous agriculture would provide a substantial market. This is particularly true of the agricultural implement industry, which remains in a very depressed condition, with employment only about two-thirds of what it was in 1949. We urge the government to redouble its efforts to sell our wheat at fair prices. Canadian labour will fully support anything the government can do to restore the purchasing power of Canadian farmers.

I say that is a statesmanlike position which has been taken by the Canadian Congress of Labour and consequently I fully believe—

An hon. Member: I don't.

Mr. Argue: —that Canadian farmers will fully support anything the government can do to restore and maintain at fair levels the purchasing power of all working Canadians.

The hon. member who is a member of the farmers union and who held an office of importance for some years and who, I have no doubt, is still a member of the Manitoba farmers' union today, knows that his organization sponsored with some success for a number of years a joint committee of the farmers union and labour called the interprovincial farm labour economic council. That body has been able to adopt and promote a common policy in the interests of farmers and labour in this country; and not only have they presented this common position but they have taken it to the government, so that it is becoming increasingly difficult for the government to say that because organized agriculture wants a certain body of prices the consumer is automatically against it. We know it is not so, because organized labour, representing almost a million and a quarter members in the Canadian Labour Congress, have supported and are supporting fair labour legislation and fair legislation in the interest of the farmer.

Not only is there growing co-operation between the farmers union and the Canadian Labour Congress but the other day I saw a report of an event which I think marks a great forward step in this country in terms of progressive thought. I refer to the announcement of the setting up of a joint committee composed on one side of representatives of the Canadian Labour Congress and on the other side of representatives of the Co-operative Union of Canada. Hon. members know that the Co-operative Union of Canada represents consumer co-operatives in this country as well as the credit unions and so we have the co-operatives—which are very important not only in western Canada and the maritimes but in all parts of Canada —now joining hands on behalf of their membership which includes consumers generally and also a large body of agricultural producers, with labour in a common front to get rid of the kind of policies and conditions this bill is directed against.

I think the Conservative government is going to get in trouble if it continues in the future to adopt the kind of attitude it has adopted today. Its attitude has been undemocratic for two reasons. In the first place, it is quite obvious that members of the government are talking the bill out.

Mr. Jones: You are.

Mr. Argue: We want a vote on it but members of the government want to talk out the bill. If the government were prepared to call a vote I would sit down but I know it has no intention of doing so because one speaker after another on the government side of the house has been getting up to enter the debate.

Mr. Brooks: Have they not as much right to do so as you have?

Mr. Argue: The second reason that the attitude of the government is undemocratic is that members of the government have gone all across this country representing the Conservative government as the friend of organized labour. But where is this government that is the friend of organized labour tonight? The government has entered speakers in the debate who have risen to say that the passage of this bill would make it more difficult for certain important sections in this country. We do not have a Progressive Conservative government today; the way it is behaving it can only be described as a straight Conservative government. This is a government of two faces. We cannot see one of its faces tonight. We can only see its Tory face.

I am sure that legislation giving labour its fair share of the national income is something that will be supported by all Canadians. Members of the Conservative party have risen to say that the passage of this bill would hurt some other sections of the country. I would be far more impressed personally if they would stand up in this house and say it is time the government got on with its legislation to provide improved prices for our agricultural producers instead of attempting to stall and delay the legislation they promised many months ago to give the agricultural industry its fair share of the national income.

I have been in this house in other years during which controversial debates occurred affecting both labour and agriculture and on behalf of the members of this group I can say that we are prepared at all times to stand four square in support of the best interests of the working people of this country whether they work on farms, in factories or in offices.

Mr. M. D. Morton (Davenport): Mr. Speaker—

Some hon. Members: Question.

Mr. Morton: Mr. Speaker—

Some hon. Members: Vote.

Mr. Morton: Mr. Speaker, it is with some interest that I rise at this point in the debate especially after listening to the previous speaker. I think he will perhaps now realize how some of us on this side of the house have felt—especially those of us who are amateurs at this game—as we have seen how long it has taken the members of the opposition groups to say "yes" to that part of the legislative program the government has brought forward to date. I do not think that in all sincerity they can criticize us if we continue to reserve the right to bring in the labour program we wish to bring in that will cover the whole national picture instead of bringing it in on a piecemeal scale as has been advocated by one particular group in the house.

I agree with the principle of minimum wages set forth in the bill and I do not think there are many hon. members in this house who would oppose that principle. I do not believe this bill will affect very many people but I do not know in fact what groups it will affect or what effect it will have in respect to the prices of goods and the services produced by these groups. In any event we cannot oppose the principle of it because we believe that legislation of this kind would cover a group of people who have been overlooked in the passage of time, who have not been protected by the unions or by the demands of labour which would give them a living wage. For that reason it is good to set a minimum wage and although the amount suggested would not give these people an entirely adequate wage it would perhaps be something better than what they have. I hope there are not too many people in this group who do not receive this minimum wage, but it would serve as a good example to those who are not receiving such a wage.

However, Mr. Speaker, I would reserve the right to criticize certain particular aspects of the legislation. For instance I would question whether the provisions in clause 4 (1) are too rigid in saying that the minimum wage of $1 would be effective from one end of the country to the other. This is perhaps not correct because in certain industrial centres such as Toronto and Montreal a minimum wage of $1 an hour might not be sufficient and perhaps there should be some variation from region to region in relation to the costs of living in those areas.

I also would raise a question in respect to clauses 5 and 6 which I realize have as their purpose guaranteeing that the minimum wage would not be destroyed by employers causing employees to buy their own tools. I am wondering, however, if the implications of those clauses go beyond what was intended. Is it intended, for instance, that an employer should pay for the normal tools and equipment of an employee? I do not think that was the original intention. I feel that the intention was to cover special tools, equipment and clothing but as it is expressed here it leaves the implication that an employer might be responsible for paying for all the tools of a tradesman. Perhaps that does not matter very much because as a rule most tradesmen have their own tools and are receiving much more than the sum set out as a minimum wage but what I am concerned about is whether it would in effect add to the expense of employers who are already paying high wages to skilled tradesmen who now supply their own tools.

One other question which arises concerns enforcement. We note there are quite a number of clauses relating to the enforcement of the proposed legislation. It seems to be human nature that when we set out a laudable principle we have to have almost a police force to ensure its enforcement. With respect to clause 14 I suggest the imposition of a time limit which might be one year from the date of the commission of the breach or one year from the date of the discovery of the breach. I have no particular recommendation one way or the other but I observe that in one clause it requires that the records be kept for a period of two years but there

is a possibility that an offence might be committed beyond the period and nothing could be done about it.

These are the few comments that I have on the bill itself. I would say, as I said at the beginning, if some of us on this side are taking a little longer to say yes than was expected it is because we have learned so well the tactics of the hon. members opposite to us.

(*Translation*):

Mr. Auguste Maltais (Charlevoix): Mr. Speaker, as it seems obvious that the Conservative party intends to extend this debate to the very end of the day so as to forestall a division, I feel justified in taking this opportunity of expressing my appreciation for the bill now before the house. I shall be very brief, and will merely state my reasons for approving the bill.

In the first place, the lowest rates of pay are those received by the least organized workers. In most cases, employees who draw good salaries are members of very strong labour organizations so that this bill providing for minimum wages would help the least organized workers of this country.

The second reason why I feel justified in supporting this legislation is that the bill to provide for minimum wages would tend to create more uniform standards throughout the country.

We have the experience of legislation enacted by this house to set up floor prices for certain products; I do not believe that the setting up of floor prices for some agricultural products has done any harm anywhere in this country.

The provision of a minimum salary of $1 an hour would tend, in my opinion, to rectify some situations existing in some parts of the country.

Those were, Mr. Speaker, the few remarks I wished to make concerning this measure since we shall not have the opportunity to vote on it, because the government members intend to speak until the time allotted to such measures has expired. I wish however, to emphasize that I am certainly in favour of this bill.

(*Text*):

Mr. R. C. Coates (Cumberland): Mr. Speaker, in Nova Scotia one finds the finest type of working man. Examples of his ability are many. Probably it was never better exemplified than during the last war when a then unindustrialized area welcomed war industries and supplied the manpower. And they did a job as well at that time as any done in any part of Canada.

Another fine example of their abilities and their virtue was provided in Springhill last year during the Springhill mine disaster and the later rescue of the survivors from that disaster. I feel this bill would be a great step in the direction of giving the labouring man of Nova Scotia the one recognition he has yet to receive, namely a rate of pay similar to that in other parts of Canada. I do not feel it necessary for me to cite examples of the inequities. The hon. member for Inverness-Richmond (Mr. MacEachen) made it quite clear inequities do exist and they are not peculiar to his constituency alone.

Clauses 5 and 6 are both steps in the right direction; for it is indeed unfortunate that in some instances labourers are forced to pay rates of board and lodging far out of proportion to their earnings. Further, in Nova Scotia, we find a labour force older than the labour force in some parts of Canada through the exodus of youth to greener fields. The older labourer has not the bargaining power of the younger man and I feel that this bill would assist him in his bargaining powers. To my mind this bill is a tribute to the forgotten man, the labouring man.

Mr. R. D. Thrasher (Essex South): Mr. Speaker, in rising on my first occasion in this house I should like to congratulate you on your elevation to the very high post which you now hold, and I should also like to extend my congratulations to your deputy. I might say, sir, at the beginning of the session I thought that had I been congratulating you at this time it would have been in what I would have liked to think were the dying days of the session. However, as things stand now it looks as though we may continue on until Christmas and perhaps into the new year.

Since I come from the riding of Essex South, which embraces the Windsor area, I would not like to miss the opportunity of speaking on this bill and to congratulate the hon. member for Winnipeg North Centre (Mr. Knowles) on bringing the bill to the attention of the house.

In view of the time, it would not appear that the bill will pass tonight, but I do think that the principle behind it is the one thing that those of us in the Windsor area are heartily in favour of. We like to feel that Windsor is the cradle of our modern labour unions in Canada. Along with other hon. members I personally feel that legislation of this kind is necessary. It provides a floor for wages in the same way as floor prices are provided for agricultural products which may come under the Agricultural Prices Support Act.

I would like to think, sir, that this legislation could be brought in by the present government. I would not want the hon. member for Winnipeg North Centre, for whose industry I have the highest regard, to have the opportunity of taking credit for this legislation, of course; but I do recall when I was just a young man, and I remember the days of the Conservative government from 1930 to 1935 when we had legislation of a similar nature. Hon. members who now form the official opposition were responsible for having that legislation declared ultra vires.

I am not certain, sir, whether I am in complete sympathy with everything set out in the bill. I would like to have the opportunity of hearing more on the minimum wage of $1. I do not know whether that is a proper amount. I am a little concerned about clauses 5 and 6, about the price of 40 cents for a meal and 50 cents a day for room. I am not certain whether these are proper amounts. I am also questioning the fact whether such measures should be included in this bill. Certainly labour should have some protection for gratuities that an employer may offer; but if such gratuities were spelled out or put on too high a plane, it may happen that the employer would pay a wage and then charge the employee something for those gratuities and thus bring an end to them. For that reason probably some other method should be designed to give labour the protection that it needs in this particular measure.

In conclusion, sir, I should like to say that I am supporting the principle of this bill.

Mr. John Pallett (Peel): Mr. Speaker, in rising to speak on the bill I do so coming from a riding that has in the past been famous as an agricultural riding and is now day by day becoming highly industrialized. I can therefore appreciate all the arguments that have been advanced today both from the agricultural point of view and from the industrial point of view. But I do not appreciate the arguments advanced from the other side of the house that we on this side, because we see fit to discuss a bill which, after all, is the duty of parliamentarians, are attempting to talk it out. As the hon. member for Winnipeg North Centre (Mr. Knowles) knows, it is our parliamentary function to speak in this place and any suggestions from the other side to the effect that we are not entitled to speak on the bill are, I suggest, quite improper.

As to delaying tactics, let it not be forgotten that every day since the house has opened the question period has extended from not less than one hour up to an hour and three-quarters, taking valuable time of the house and, sir, I suggest that most of the questions were not properly asked at that time. So let there be no suggestion from the other side that when we on this side seek to speak properly we are perhaps not exercising our proper function in this place.

Mr. Hahn: We are not debating the bill. We are co-operating. We want the bill to go through.

Mr. Pallett: Hon. members of the Social Credit party gave examples in the last session of the house of their regard for parliamentary traditions.

Mr. Hahn: We certainly do not try to ram business through in one day, whether it is unemployment insurance or anything else, and try to finish estimates, involving the spending of $4 billion, in 20 days.

Mr. Pallett: The hon. member who introduced the bill belongs to a party which enjoys the confidence of the people of one province. I think it would be of interest to put on the record the type of legislation they have in that province with respect to minimum wages. As I understand it, in Saskatchewan there are two general orders, one applicable to all establishments not covered by other orders in the cities and the 15 larger towns and one applicable to such establishments in the remainder of the province. These orders set rates of $30 and $29 a week respectively for full-time adult workers and fix lower rates for employees under 18 years of age.

In addition, there are nine special orders covering specific groups of workers. The coverage of the special orders and the rates set for full-time experienced workers are as follows: hotels and restaurants in cities and the 15 larger towns, $30 per week; hotels and restaurants in the remainder of the province, $29 per week. For educational institutions, hospitals and nursing homes in cities and the 15 larger towns the rate is $30 per week; for educational institutions, hospitals and nursing homes in the remainder of the province it is $29 per week. Janitors and caretakers in residential buildings have a minimum rate of $40 per week. For truck drivers the rate is 85 cents per hour or 3 cents per mile, whichever is the greater. For logging and lumbering the rate is 70 cents per hour. For amusement places it is $30 per week and for oil well drilling rigs it is 70 cents per hour.

I suggest, Mr. Speaker, that as the government formed by the party to which the hon. member who introduced the bill belongs recognizes in a single province that it cannot

legislate right across the board for an hourly rate, we too should recognize the limitations in attempting to establish across this wide dominion one particular rate to apply to all classes of persons. It must be recognized that in certain areas of the country fuel bills are higher. In other areas there are higher transportation costs. In other areas rents are higher. All of these factors must be taken into consideration.

I suggest that my friend could have improved the bill if he had followed the pattern, to which I point particularly with a certain amount of pride, laid down in my own province of Ontario as set out in the minimum wage act. I refer to the establishment of a board which may hold hearings in certain areas and negotiate and define minimum wages for those areas. For the hon. member's information I should like to read section 2 of the act. It is in these words:

> The board may arrange for a conference between employers and employees or their representatives in any business, trade, work, undertaking or occupation for the purpose of obtaining information as to the prevailing rates of wages and conditions of employment and may accept recommendations from the conference with respect to any matters which may be dealt with by an order of the board.

Section 3 of that act reads as follows:

> The board may establish minimum rates of wages for all employees and generally enact such provisions with respect to conditions of employment as may be deemed necessary for the betterment of the physical, moral and intellectual wellbeing of employees and without restricting the generality of the foregoing the board may make orders and by means of such orders may,
>
> (a) designate or define any business, trade, work or undertaking or the part or parts thereof to which the order is applicable;
>
> (b) designate or define the zone or zones within Ontario in which any order or part thereof is applicable;
>
> (c) classify employees and separately provide for any one or more classifications with respect to any matter over which the board has authority;
>
> (d) establish a minimum wage for the prevailing weekly work period in the business of any employer or for any other working period which the board may establish;
>
> (e) establish the maximum number of hours of labour which may regularly be worked in the business of any employer with respect to any minimum wage established.
>
> (f) establish minimum hourly rates of wages for overtime work;
>
> (g) establish minimum hourly rates of wages for employees who regularly work less than 40 hours per week;
>
> (h) define any term used in any order;
>
> (i) establish a special method of payment for any classification of employees;
>
> (j) specify when and under what conditions deductions may be made from the minimum wage established for time lost by employees through illness, holidays, absence from duty or for any other reason and also for special privileges or perquisites resulting from the nature of the work performed.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Pallett: Yes.

Mr. Knowles (Winnipeg North Centre): Since the hon. member is speaking in such praise of the minimum wage legislation of Ontario, will he tell us what the highest minimum wage is that has been established under that legislation?

Mr. Pallett: The hon. member knows the answer to that question himself. I do not have that information before me. But the point I was seeking to make—

Mr. Knowles (Winnipeg North Centre): Does the hon. member not know it?

Mr. Pallett: The point I was seeking to make was this.

Mr. Knowles (Winnipeg North Centre): That proves that that kind of legislation does not have the effect the hon. member thinks it has.

Mr. Pallett: The machinery set up both in the province of Saskatchewan, where my hon. friend's party is in power, and in the province of Ontario is machinery designed to recognize conditions that may be found in different categories of employment and which would enable the different classes of employees to be dealt with equitably. If my friend's argument were followed to its ultimate conclusion, he would say to every man in the ranks of labour, no matter what your own particular qualifications are, whether you are skilled or unskilled, whether you have years of experience or no experience, you must work for exactly the same pay. I am sure that that principle would not be recognized in any way in any labour negotiations in the country. I would suggest that we, in parliament, should not for one minute attempt to recognize a principle that would not be recognized in labour negotiations throughout the country.

A minimum wage set at too low a level would have a very adverse effect on labour generally. If you set the minimum wage too low the effect would be to bring down the pay that employees receive and such a generalization would defeat the very purpose which I think my hon. friend is honestly trying to achieve but perhaps has not succeeded in setting out in the bill as clearly and as succinctly as might have been done. I think he recognizes this, as a matter of fact, because in the second last section of the bill, section 17, it says:

> The governor in council may make such regulations, not inconsistent with this act, as are necessary to carry out the provisions of this act according to their true intent.

Immediately when one sees a section such as that in an act he says that the draftsman did not quite know what the act meant and is leaving it to the governor in council to draft the necessary regulations. A wording of that sort, Mr. Speaker, could only leave that sort of an impression.

Mr. Barnett: Would the hon. member permit a question? Could he name me another bill similar in any way which does not contain a provision for the drafting of regulations by the governor in council?

Mr. Pallett: You evidently heard but you did not understand.

An hon. Member: That is not strange at all.

Mr. Pallett: I was speaking to the hon. member through you, Mr. Speaker, when I addressed that comment. The bill before us says:

—make such regulations, not inconsistent with this act, as are necessary to carry out the provisions of this act—

If the section had stopped there, that would have been fine, but it goes on to say, "—according to their true intent". Those are the words to which I was referring in suggesting that the person who drafted the bill did not quite know what the bill meant and therefore was leaving it to the governor in council to be interpreted through order in council.

I believe there has been some suggestion by the hon. member for Assiniboia (Mr. Argue), who took a great delight in twisting around his tongue the words "Tory", "Conservative", and all that sort of thing—I do not mind running as a Tory, a Conservative or a Progressive Conservative...

Mr. Knowles (Winnipeg North Centre): Make up your mind.

Mr. Pallett: They all stand for the same thing. They stand for Canada and the interests of this party in labour was recognized in the brief to which the hon. member referred. I would suggest that the hon. member might read the first paragraph of that brief, which says:

Mr. Prime Minister and members of the cabinet: This is the first formal meeting between this new government and our only slightly older congress. But such meetings are part of the tradition of the Canadian labour movement. Indeed, they have been going on so long that they might almost be said to have become part of the unwritten constitution of Canada. It was on May 18, 1891, that the executive committee of the Trades and Labour Congress of Canada, successors to the Canadian Labour Congress of 1883, and predecessor of the Canadian Labour Congress of 1956, "waited on the Right Honourable Sir John A. Macdonald and the members of his government . . . when the various subjects of interest to our organization were laid before them".

[Mr. Pallett.]

I would suggest to the hon. member that the interest of this party in labour is a lot older than the interest of his party.

Mr. Argue: But yours did not continue.

Mr. Barnett: Was not the statement the hon. member read an indication of the interest of the labour body in the government, rather than the converse as the hon. member is suggesting in his argument?

Mr. Pallett: I might say, Mr. Speaker, that that interest has been maintained from 1891 until now. I say to the hon. member through you, Mr. Speaker, that the Minister of Labour (Mr. Starr) in this government today will go down as one of the greatest Ministers of Labour this country has ever had.

Mr. Knowles (Winnipeg North Centre): He will go down all right, and all the other Tories with him. Will the hon. member permit one more question? If the government which he supports brings in a bill providing for a minimum wage for employees who come under federal labour jurisdiction will he support it?

Mr. Pallett: Mr. Speaker, that is a hypothetical question put by the hon. member. However, I can say to him quite frankly that if the government did introduce a bill in exactly these terms, without the proper recognition across the country, I would very much hesitate to support it. I would point out to him, through you, Mr. Speaker, that one very good reason why I could not support the bill in the form as drawn is that he has completely neglected the armed services in this bill. One of the largest groups employed by the government of Canada does not even get a mention in this bill.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. The hon. member knows that as a private member I could not introduce a bill that would call for expenditures directly to civil servants or to members of the armed forces. The hon. member surely knows that is the reason there is in this legislation no reference to any person who receives his wages or salary directly from the government, but rather that this is an act of general application.

Mr. Gauthier (Portneuf): He did not know.

Mr. Pallett: With that extra clarification from the hon. member, Mr. Speaker, may I say that I am amazed at his inability, with his long experience in the house, to draft a bill. If that is what he intended to say, it is not set out in so many words and it does not mean what the hon. member suggests it means because if the bill came in

in that form, with that intention, I know it would not be brought in by the hon. member.

Mr. Knowles (Winnipeg North Centre): Apparently the hon. member cannot read.

Mr. Pallett: In many languages he can, Mr. Speaker. There is another thing I should like to bring forward.

Some hon. Members: Question.

Mr. Pallett: I do so with your indulgence, Mr. Speaker. Since reference has been made to the Canadian Labour Congress brief to the government I therefore think it has been brought into this debate.

Mr. Knowles (Winnipeg North Centre): The five minute whistle has blown.

Mr. Pallett: I should like to bring in something else. This is a matter that affects my own riding and I am going to point it out at this time since this brief has been introduced into this debate. It is a recommendation by the Canadian Labour Congress:

> The second matter is one of government policy. Under section 54 of the act, the late government saw fit to take Canadian Arsenals Limited out from under the act, nine years ago. The congress, and the employees concerned, have repeatedly asked to have this action rescinded, so that Canadian Arsenals' employees should enjoy the same rights as the employees of the C.N.R., the C.B.C., Atomic Energy of Canada Limited, and so forth. The congress can see no justification at all for the existing discrimination against Canadian Arsenals' employees, and hopes the government will end it forthwith.

I would point out to this house that in the United States employees of a similar type enjoy the collective bargaining right. At one time there may have been in the minds of the government of the day some justification for leaving this group of employees out of the section of the act. I hope that some time in the not too distant future some steps may be taken to grant this right to these employees. I think perhaps if that happens, the hon. member would have to admit that the "Progressive" was back in ahead of "Conservative" and that we were moving along in the direction that we have always moved in the past. Having said that, Mr. Speaker,—

Mr. Murphy (Westmorland): Say it over again; there are only two minutes left.

Mr. Pallett: The hon. member who has just interrupted—

Mr. Murphy (Westmorland): Say the first paragraph over again.

Mr. Pallett:—certainly had his opportunity to take part in this debate in the past.

Mr. Knowles (Winnipeg North Centre): The minute flag is up. You have time for only one more kick.

An hon. Member: The quarterback down there has not had a chance to carry the ball.

Mr. Pallett: When the chitter-chatter subsides, Mr. Speaker, I shall be glad to start again. A labour policy is not formulated with the introduction of one bill that deals with only one aspect of labour legislation. The brief of the Canadian Labour Congress recognizes the fact that labour is vitally interested in every aspect of this economy, whether it be internal of external. By the same token, hon. members of this house must recognize the fact that we must not be interested solely in one aspect of labour legislation. If we attempt to pass single bills dealing with one aspect only it would be like trying to build a house without a plan; and everyone here knows what ensuing chaos would result. Consideration must be given to every particular feature that affects a large body of the population.

Mr. Murphy (Westmorland): You had better shoot the puck.

Mr. Pallett: I have often been on the ice with 30 seconds to go, so I know what it feels like. May I call it ten o'clock, Mr. Speaker?

Some hon. Members: Question.

Some hon. Members: Ten o'clock.

Mr. Knowles (Winnipeg North Centre): The Tory friends of labour have done it again.

BUSINESS OF THE HOUSE

Mr. Green: Tomorrow we shall take up the estimates of the Department of Veterans Affairs, then those of the Department of Justice and of the Department of National Revenue.

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:

ORDERS IN COUNCIL, JUNE-OCTOBER, 1957

Question No. 187—**Mr. Hansell:**

How many orders in council have been issued in each of the months of June, July, August, September and October of 1957?

Answer by: **Right Hon. J. G. Diefenbaker (Prime Minister):**

	1957				
	June	July	Aug.	Sept.	Oct.
Orders of the governor in council	365	235	319	222	312
of which					
were minutes of the treasury board approved by the governor in council	208	105	165	103	169

INCOME TAX COLLECTIONS, 1956-57

Question No. 230—**Mr. Christian:**

1. How much money was collected under the Income Tax Act from January 1, to October 31, 1956?
2. How much money was collected under the Income Tax Act from January 1, to October 31, 1957?

Answer by: **Hon. G. C. Nowlan (Minister of National Revenue):**

1. Total net collections under the Income Tax Act from 1st January, 1956 to 31st October, 1956 were $2,379,023,955.81.
2. Total net collections under the Income Tax Act from 1st January, 1957 to 31st October, 1957 were $2,625,928,673.90.

VETERANS PENSIONS

Question No. 243—**Mr. Hansell:**

1. How many veterans are in receipt of pensions for disability under the Pension Act?
2. How many of these are in each percentage category?
3. What is the total yearly amount paid under the act?

Answer by: **Hon. A. J. Brooks (Minister of Veterans Affairs):**

As at September 30, 1957

1. 158,881.
2.

Per Cent	World War I	World War II	Both Wars
100	3,686	3,484	7,170
95	109	70	179
90	529	377	906
85	401	264	665
80	4,449	1,445	5,894
75	335	543	878
70	772	1,486	2,258
65	201	402	603
60	1,331	2,694	4,025
55	244	639	883
50	2,618	6,341	8,959
45	145	189	334
40	2,554	4,245	6,799
35	1,290	1,771	3,061
30	3,440	5,903	9,343
25	3,284	4,728	8,012
20	6,022	12,108	18,130
15	5,267	9,731	14,998
10	10,571	27,472	38,043
5	5,695	15,956	21,651
Totals	*52,943	99,848	152,791

*The discrepancy of 6,090 between the total given and that in the answer to question (1) represents a number of small special groups, regular force, special force, miscellaneous pensions, etc. for whom detailed particulars are not kept. To obtain them would necessitate a review of each card.

3. Disability $108,683,812.00
Dependent 39,355,228.00
Total $148,039,040.00

APPENDIX

PROVISIONAL COMMENTS ON REPORT ON LAW OF THE SEA

The Secretary of State for External Affairs presents his compliments to the Secretary General of the United Nations and has the honour to refer to note No. LE 130(3)-9-2 dated March 25, 1957 from the director of the codification division requesting any provisional comments which the Canadian government might wish to make on the international law commission's final report on the law of the sea and related matters.

The Canadian government desires to say that it considers that the increased interest of states in the exploitation of the resources of the sea and the consequent need for conservation and regulation of these resources along with the need to preserve the principle of the freedom of the seas calls for a reappraisal of the existing law of the sea and subsequent agreement on generally accepted rules, whether they be existing rules reaffirmed or revised or entirely new rules. Accordingly the Canadian government welcomes the convoking of an international conference to examine the law of the sea and proposes to be represented at this conference, as the Secretary of State for External Affairs informed the secretary general on April 17, 1957. Regarding the international law commission's report on the law of the sea, the following are the views of the Canadian government on some of the recommendations of the commission:

(a) Breadth of the territorial sea and contiguous zone.

The relevant recommendations of the international law commission are as follows:

"Article 3:

1. The commission recognizes that international practice is not uniform as regards the delimitation of the territorial sea.

2. The commission considers that international law does not permit an extension of the territorial sea beyond 12 miles.

3. The commission, without taking any decision as to the breadth of the territorial sea up to that limit, notes, on the one hand, that many states have fixed a breadth greater than 3 miles and, on the other hand, that many states do not recognize such a breadth when that of their own territorial sea is less.

4. The commission considers that the breadth of the territorial sea should be fixed by an international conference."

"Article 66:

1. In a zone of the high seas contiguous to its territorial sea, the coastal state may exercise the control necessary to

(a) Prevent infringement of its customs, fiscal or sanitary regulations within its territory or territorial sea;

(b) Punish infringement of the above regulations committed within its territory or territorial sea.

2. The contiguous zone may not extend beyond 12 miles from the base line from which the breadth of the territorial sea is measured."

The Canadian government consider that any new rules must meet the essential needs of coastal states. The 3-mile limit is not adequate for all purposes. It is not adequate for the enforcement of customs, fiscal and sanitary regulations. It is also not adequate for the protection and control of fisheries. The commission has recognized in Article 66 (quoted above) the need for extended jurisdiction in respect of the enforcement of customs, fiscal and sanitary regulations. The Canadian government considers it to be fully as important that the rules of international law should provide adequately for the regulation and control of fisheries off the coast of any state. One way of providing for this would be by accepting, for general application, the 12-mile breadth for the territorial sea. That would allow for complete fishery, customs, fiscal and sanitary control and regulation within that limit and dispense with the need for any provisions along the lines of those contained in Article 66. It is recognized, however, that a general extension of the breadth of the territorial sea to 12 miles could have consequences of importance with regard to the freedom of sea and air navigation. Instead, therefore, of having a general adoption of the 12-mile breadth for the territorial sea an alternative approach which would not affect the rights of navigation by sea or by air would be to agree on a contiguous zone of 12 miles as recommended by the commission but with the modification that within that zone the coastal state should have the exclusive right of regulation and control of fishing. Rights over fisheries accorded by such a zone should, in the view of the Canadian government, be as complete as those that are afforded to a coastal state within the limits of territorial waters.

(b) Straight base lines

"Article 5:

1. Where circumstances necessitate a special regime because the coast is deeply indented or cut into or because there are islands in its immediate vicinity, the base line may be independent of the low-water mark. In these cases, the method of straight base lines joining appropriate points may be employed. The drawing of such base lines must not depart to any appreciable extent from the general direction of the coast, and the sea areas lying within the lines must be sufficiently closely linked to the land domain to be subject to the regime of internal waters. Account may nevertheless be taken, where necessary, of economic interests peculiar to a region, the reality and importance of which are clearly evidenced by a long usage. Base lines shall not be drawn to and from drying rocks and drying shoals.

2. The coastal state shall give due publicity to the straight base lines drawn by it.

3. Where the establishment of a straight base line has the effect of enclosing as internal waters areas which previously had been considered as part of the territorial sea or of the high seas, a right of innocent passage, as defined in Article 15, through those waters shall be recognized by the coastal state in all those cases where the waters have normally been used for international traffic."

This recommendation is acceptable to the Canadian government as reflecting the decision of the international court of justice in the Anglo-Norwegian Fisheries case. The Canadian government agrees that the employment of straight base lines as outlined by the commission should be recognized universally as being a proper means of establishing the datumline for measuring the territorial sea or contiguous zone, in appropriate cases.

(c) Continental shelf

"Article 67:

For the purposes of these articles, the term 'continental shelf' is used as referring to the sea bed and subsoil of the submarine areas adjacent to the coast but outside the area of the territorial sea, to a depth of 200 metres (approximately 100 fathoms), or, beyond that limit, to where the depth of the superjacent waters admits of the exploitation of the natural resources of the said areas."

In its final report on the law of the sea (United Nations document A/3159, section III, paragraph 2, page 40) the international law commission stated that it "accepted the idea that the coastal state may exercise control and jurisdiction over the continental shelf, with the proviso that such control and jurisdiction shall be exercised solely for the purpose of exploiting its resources....." The commission believed, however, that the legal boundary of the continental shelf should be a fixed limit in terms of the depth of the superjacent waters because a boundary defined in terms of the admissibility of exploitation as the commission's first draft of 1951 proposed, would "lack the necessary precision and might give rise to disputes and uncertainty". The 200-metre depth was selected by the commission as the limit of the continental shelf because it considered that this depth is where the continental shelf in a geological sense "generally" comes to an end and that the limit proposed would be sufficient for all practical purposes at present.

Against the contingency that exploitation of the seabed at depths greater than 200 metres might prove technically possible the commission recommended at its eighth session that the continental shelf in the legal sense might be considered as extending beyond the 200-metre depth mark to areas at greater depths where the superjacent waters admit of the exploitation of the resources of the seabed of these areas.

This additional provision reintroduces the uncertainty which led the commission to favour a fixed limit in terms of the depth of superjacent waters for determining the legal boundary of the shelf. It is considered that the foreseeable possibilities of exploitation at greater depths than 200 metres might be provided for without sacrificing the element of certainty concerning the extent of states' rights to exploit the resources of the seabed. It is understood that in 90 per cent of instances, excluding polar regions, the edge of the continental shelf is well-defined geographically. It is suggested, therefore, that in these cases the boundary of the shelf should be its actual edge. Where, however, the edge of the shelf is ill-defined or where there is no shelf in a geographical sense, the boundary might be set at such a depth as might satisfy foreseeable practical prospects of exploitation.

It should be added that this suggestion might also solve the special problem raised by the international law commission regarding submerged areas of a depth less than 200 metres which are separated from the main shelf by narrow channels. While the scarcity of soundings in many areas makes it impossible to be definite concerning the number of such submerged areas it is thought that if the actual edge of the shelf were considered to be the boundary, by far the greater number of these "islands" would then be included as part of the shelf and would so not create a special problem.

(d) High seas fishing

The Canadian government has the following comments with regard to the draft articles indicated:

"Article 51:

A state whose nationals are engaged in fishing in any area of the high seas where the nationals of other states are not thus engaged, shall adopt measures for regulating and controlling fishing activities in that area when necessary for the purpose of the conservation of the living resources of the high seas."

There is a possibility that in a given area the nationals of one state could be exploiting one kind of living marine resource and at the same time the nationals of another state could be exploiting another kind of resource. The article, as presently drafted, does not seem to take account of such a situation. It refers to an area rather than to a particular resource. A more explicit statement appears to be desirable.

"Article 52:

1. If the nationals of two or more states are engaged in fishing the same stock or stocks of fish or other marine resources in any area of the high seas, these states shall, at the request of any of them, enter into negotiations with a view to prescribing by agreement the necessary measures for the conservation of such resources.

2. If the states concerned do not reach agreement within a reasonable period of time, any of the parties may initiate the procedure contemplated by Article 57."

The article, as drafted, might be interpreted as applying only to a case where the nationals of two or more states fished the same stock or stocks of fish in any one area. In some instances, to provide adequate conservation measures it would be desirable to have them applied to the same stock of fish even though it were fished in different areas. A clarification in wording is therefore suggested.

The criterion suggested by the commission (see paragraph I of its commentary to Article 52) for invoking the procedure envisaged in this article is that a state be "regularly engaged in fishing". Under Article 53 an existing regime does not apply to a newcomer unless he is engaged in substantial fishing (see paragraph 2 of the commission's commentary on Article 53).

It would seem reasonable therefore that under Article 52 a state ought only to be allowed to call for the establishment of a regime if it is engaged in substantial fishing, subject of course to Articles 54, 55 and 56.

"Article 53:

1. If, subsequent to the adoption of the measures referred to in Articles 51 and 52, nationals of other states engage in fishing the same stock or stocks of fish or other marine resources in the same area, the conservation measures adopted shall be applicable to them.

2. If these other states do not accept the measures so adopted and if no agreement can be reached within a reasonable period of time, any of the interested parties may initiate the procedure contemplated by Article 57. Subject to paragraph 2 of Article 58, the measures adopted shall remain obligatory pending the arbitral decision."

The article, as drafted, would make conservation measures adopted pursuant to Articles 51 and 52 applicable to other states only in the case of fishing for the same stocks of fish in the same area. From the conservation point of view the provision is inadequate. It is the stocks of fish which must be protected regardless of the fact whether they are fished in the same area or not.

In paragraph 2 of the commission's comment on this article, it is stipulated that the regulations should be applicable to newcomers only if they engage in fishing on a scale which would substantially affect the stock or stocks in question. It would be preferable to have this stipulated in the article, for instance, by adding after "any of the interested parties" in paragraph 2 of the article the words, "engaged in the fishing on a substantial basis".

"Article 56:

1. Any state which, even if its nationals are not engaged in fishing in an area of the high seas not adjacent to its coast, has a special interest in the conservation of the living resources in that area, may request the state whose nationals are engaged in fishing there to take the necessary measures of conservation.

2. If no agreement is reached within a reasonable period, such state may initiate the procedure contemplated by Article 57."

Although there may, in certain circumstances, be some justification for a state not engaged in fishing in an area not contiguous to its coast requesting a fishing state to take certain conservation measures, care should be taken that this request would not extend to measures necessarily having to be taken within the boundaries of the fishing state. This article, therefore, should be qualified to indicate that the fishing state would be under no obligation to take measures within its boundaries.

The government of Canada is of the opinion that the commission's articles on fishing should be subject to the "abstention principle" which was considered at the technical conference on the conservation of the living resources of the sea held in Rome in 1955 and which is stated in the report of the conference (page 7, paragraphs 61-62) namely:

"61. A special case exists where countries, through research, regulation of their own fishermen and other activities, have restored or developed or maintained stocks of fish so that their productivity is being maintained and utilized at levels reasonably approximating their maximum sustainable productivity, and where the continuance of this level of productivity depends upon such sustained research and regulation. Under these conditions, the participation of additional states in the exploitation of the resource will yield no increase in food to mankind, but will threaten the success of the conservation program. Where opportunities exist for a country or countries to develop or restore the productivity of resources, and where such development or restoration by the harvesting state or states is necessary to maintain the productivity of resources, conditions should be made favourable for such action.

62. The international north Pacific fishery commission provides a method for handling the special case mentioned above. It was recognized that new entrants in such fisheries threatened the continued success of the conservation program. Under these circumstances the state or states not participating in fishing the stocks in question agreed to abstain from such fishing when the commission determines that the stock reasonably satisfies all the following conditions:

(a) Evidence based upon scientific research indicates that more extensive exploitation of the stock will not provide a substantial increase in yield;

(b) The exploitation of the stock is limited or otherwise regulated for conservation purposes by each party substantially engaging in its exploitation; and

(c) The stock is the subject of extensive scientific study designed to discover whether it is being fully utilized, and what conditions are necessary for maintaining its maximum sustained productivity. The convention provides that, when these conditions are satisfied, the states which have not engaged in substantial exploitation of the stock will be recommended to abstain from fishing such stock, while the states engaged in substantial exploitation will continue to carry out the necessary conservation measures. Meanwhile, the abstaining states may participate in fishing other stocks of fish in the same area."

All of the above comments, are of course, provisional at this stage. The fact that comments have not been submitted on other matters does not indicate that the remainder of the draft articles are necessarily acceptable to the Canadian government as they now stand. The comments are submitted with a view to facilitating the exchange of views among countries that will be essential in working out agreed provisions on the law of the sea.

HOUSE OF COMMONS

Friday, November 29, 1957

The house met at eleven o'clock.

BUSINESS OF THE HOUSE

REQUEST FOR WITHDRAWAL OF MOTION ON ORDER PAPER

Mr. W. H. McMillan (Welland): Mr. Speaker, I would ask leave of the house to withdraw notice of motion No. 8 on the order paper, which reads:

That, in the opinion of this house, the government should consider the advisability of encouraging reasonable early vesting of pension rights of employees by disallowing in whole or in part the employer's claims for a deduction of the expenses of pensions for income tax purposes where reasonable vesting provisions are not adopted.

I might say that I would like to discuss this matter on the appropriate estimates or on a motion to go into supply. It does not seem to me that we will reach this notice of motion this session. If it remains on the order paper it might be considered out of order to discuss early vesting of pension rights because of anticipatory discussion on the order paper. I would therefore ask unanimous consent of the house to drop this motion.

Mr. Speaker: Has the hon. member leave to drop this motion?

Some hon. Members: Agreed.

Motion dropped.

MORNING AND SATURDAY SITTINGS ON AND AFTER DECEMBER 4

On the orders of the day:

Mr. A. W. Stuart (Charlotte): Mr. Speaker, I would like to direct a question to the house leader. When does the house leader expect to suggest morning and Saturday sittings to provide more time to discuss the government's estimates and further legislation?

Hon. Howard C. Green (Minister of Public Works): Well, Mr. Speaker, we are planning to put a notice of motion on the order paper today which will appear on Monday, and which will ask for sittings on Wednesday mornings, Thursday mornings, Friday evenings and on Saturdays in the morning and afternoon only until the end of the session.

Mr. Pearson: What, not Saturday night?

BUFFALO AND FORT ERIE PUBLIC BRIDGE COMPANY

AMENDMENTS RESPECTING CANADIAN MEMBERS, DESIGNATION OF AUTHORITY, ETC.

Hon. Donald M. Fleming (Minister of Finance) moved the first reading of Bill No. 194 (from the Senate), to amend an act respecting the Buffalo and Fort Erie Public Bridge Company.

Motion agreed to and bill read the first time.

AGRICULTURE

ALLEGED CRISIS IN INDUSTRY—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I ask leave, seconded by the hon. member for Kindersley, to move the adjournment of the house under standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely the continuing crisis in the agricultural industry brought about by depressed prices of farm products, increasing costs of production and loss of markets, together with the inexcusable delay of the government in taking steps to provide farmers with guaranteed prices for their products at a level to create parity with other prices and to assure farmers a fair share of the national income as promised in the recent election, and the need for immediate action by parliament to deal with this grave emergency.

If I may, Mr. Speaker, I would add that one further reason prompting this motion is the fact that the government will not announce a date when it is prepared to advance its own legislation.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I would simply refer to government order No. 9 on the order paper, which reads in part:

Resolved, that it is expedient to introduce a measure to establish a system of guaranteed prices for agricultural commodities to be named therein and to provide that prices may be guaranteed for any other agricultural commodity—

—and so on. I am not going to read the entire resolution. That resolution—

Mr. Irwin: Mr. Speaker, on a point of order, please—

Mr. Gauthier (Portneuf): Just one minute.

Agricultural Industry—Alleged Crisis

Mr. Irwin: We have not yet had your decision, sir, as to whether or not this is a matter of urgent public importance.

Mr. Diefenbaker: Mr. Speaker, I am speaking on the question as to whether it is a matter of urgent public importance. The resolution on the order paper—

Mr. Knowles (Winnipeg North Centre): I rise on a point of order. According to the rules, when a motion of this kind is made does Your Honour not read it out and decide whether or not it is of urgent public importance?

Mr. Sinclair: Quite right.

Mr. Speaker: I think the hon. member is right; it is the Speaker's duty to decide whether the matter is within the rules, though I believe it has been customary to take brief advice on the subject. Will the house allow me a minute to consider this?

Mr. Diefenbaker: That was the attitude I was adopting, simply to bring to Your Honour's attention the fact that it is not one of those matters that are of such importance as require a motion for the adjournment of the house.

The resolution sets out in detail the various steps that are intended to be taken with reference to the agricultural problem of this country. I may add that the legislation committee has been working on the bill to be introduced and at twelve o'clock today will meet for the final determination of the terms of the bill. My submission is that the motion is premature; it is simply trying to beat the gun. Having regard to the resolution that is already on the order paper, it is not a matter of such importance as requires a motion for the adjournment of the house.

Mr. Argue: Mr. Speaker, with your permission I would like to make a comment on the statement that has been made.

Mr. Irwin: On the point of order, paragraph 3 of standing order 26 reads in part:

> He then hands a written statement of the matter proposed to be discussed to Mr. Speaker, who, if he thinks it in order—

Mr. Knowles (Winnipeg North Centre): Not the Prime Minister.

Mr. Irwin: Not the Prime Minister nor any other member of the house. I continue:

> —and of urgent public importance, reads it out and asks whether the member has the leave of the house.

The Speaker himself decides whether or not it is a matter of urgent public importance.

Mr. Speaker: I know what the rule says. The Speaker is actually thinking and would appreciate a little assistance in this matter.

[Mr. Gauthier (Portneuf).]

He has had some from the Prime Minister, and would like to hear what the member for Assiniboia has to say on the subject.

Mr. Argue: I would like to make some comment on the urgency question. Any member who is acquainted with the position of the agricultural industry today will realize that it is in a very deep crisis that requires immediate attention.

On the basis of what the Prime Minister has said there is still no indication as to the date on which the government will advance its own legislation. The resolution to which the Prime Minister has referred was filed on October 31, and I suggest that that is an unwarranted delay.

As far as beating the gun is concerned, to use the Prime Minister's own words, I suggest that this is not likely to be the case in any way, since this motion says that the government should provide guaranteed prices for agricultural products at a level to create parity with other prices and to assure farmers a fair share of the national income, as promised in the recent election campaign. I would suggest that the terms of the government's own motion show that it is not the intention, according to that motion, to provide prices for agricultural products at a parity level. For all these reasons I submit that my motion is in order.

Hon. E. D. Fulton (Minister of Justice): May I point out that the terms of the hon. member's motion place it clearly out of order; and to assist Your Honour I would refer you to Bourinot, whose authority I have always found to be unquestioned. At page 310 of the fourth edition Bourinot says, in discussing motions to adjourn the house for the purpose of discussing a matter of urgent public importance:

> All the rules of debate apply, of course, to discussions upon such a motion. Discussion cannot be raised on such a motion on any matter already appointed for consideration or of which notice has been given.

The hon. gentleman has clearly brought his motion and the discussion which would arise therefrom within the ambit of item No. 9 on today's order paper, which provides for the discussion in committee of the whole of the government resolution to introduce a measure to establish a system of guaranteed prices for agricultural commodities. Whether or not that measure will be considered adequate is a matter properly to be discussed by the hon. member on that motion, but his present motion is clearly out of order in that it seeks to anticipate the stage at which he can raise that question.

Mr. Speaker: I thank hon. members for their assistance. As they will appreciate,

this is the first time I have had to deal with this question. It seems to me that the subject matter of the proposed discussion is one that has been discussed off and on throughout the session, perhaps not by itself but it has been a subject of continual discussion throughout the session and of questions and answers in the house. There has been and will be an opportunity to discuss the matter, more particularly because of the resolution on the order paper.

It seems to me that the hon. member's motion is defeated by subsection (d) of section 6 of standing order 26, to which the hon. member referred. It is in these words:

> The motion must not anticipate a matter which has been previously appointed for consideration by the house, or with reference to which a notice of motion has been previously given and not withdrawn.

That seems to me to be an insuperable obstacle to the motion. In any event, I would not have thought the matter properly debatable on a motion of this kind at this time in view of the opportunities there are to discuss the matter and the discussion that has already taken place in the house. Therefore I must reject the hon. member's motion.

[*Later:*]

On the orders of the day:

Mr. E. B. Huffman (Kent, Ont.): I should like to direct a question to the Prime Minister. When the Prime Minister spoke to the motion of the hon. member for Assiniboia I understood that he was of the opinion that the subject was not of sufficient urgency to warrant moving the adjournment of the house. When the Prime Minister makes his announcement on Monday respecting further legislation for this session, will he give priority to the resolution to establish guaranteed prices for agricultural products?

Mr. Diefenbaker: Mr. Speaker, in the first place I did not say it was a matter of no urgency, I said urgency of debate at this time. I would point out to my hon. friend that at no time has the house been held up by the failure of the government to have its legislation ready, and if less time was taken in the discussion of certain items we would get along much faster, and I am hoping we will.

Some hon. Members: Oh, oh!

An hon. Member: Closure.

Mr. Diefenbaker: I have had the co-operation of my right hon. friend. I want to say that, but it has not been general.

Mr. McIlraith: Why don't you answer the question?

Mr. Diefenbaker: If there is a little more co-operation these matters will be introduced at the earliest stage possible. We want this legislation passed as soon as possible, but we have two items to consider. We have the item concerning the estimates that were left over from last session, which involves practically all the estimates. We have brought before the house the legislation that has been necessary to meet immediate conditions, having regard to the order of their urgency and the opportunity to have them passed by the house. The legislation with regard to agriculture is on the order paper, and if my hon. friends will get along a little—

An hon. Member: Is the bill ready?

Mr. Diefenbaker: —and assist in getting the estimates out of the way, the legislation will be introduced, as will the other matters to which reference will be made on Monday.

Mr. Argue: I have a question for the Prime Minister, arising out of his remarks now as compared with his remarks earlier. Is the legislation to which he has referred now ready, in that the bill is ready?

Mr. Diefenbaker: If my hon. friend had listened to what I said earlier he would have had the answer to his question. The legislation committee has drafted the legislation. At twelve o'clock today, provided the question period does not continue on and on with questions that have no place in the house and merely kill time—

Mr. Knowles (Winnipeg North Centre): Is that not for Mr. Speaker to decide?

Mr. Diefenbaker: —that committee will meet for the purpose of finalizing the legislation.

Mr. Argue: It is not yet ready.

Mr. Jacob Schulz (Springfield): I have a question for the Prime Minister. I have never had the privilege of asking him a question, so I do so today. If the Prime Minister is so sincere about bringing forward his agricultural legislation, why is it that the resolution extending unemployment insurance was brought in and acted on in two days—

Mr. Speaker: Order. If the hon. member thinks of what he is saying I believe he will appreciate that he is making an argument and not asking a question of the Prime Minister.

NORTHERN ALBERTA—REQUEST FOR REPORT ON INVESTIGATION INTO HARVEST

On the orders of the day:

Mr. Solon E. Low (Peace River): Mr. Speaker, I would like to ask the Minister of Agriculture if he is in a position this morning to tell the house in a general way the contents of the report which I understand he

has received concerning the tragic crop situation in the Peace river country, and to let us know what measures his department proposes to take to help relieve the situation there.

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, there has been a very unfortunate situation this year from the point of view of weather in the Peace river country. I sent a special investigation team into the area some two weeks ago to make a report on the exact situation that existed there, with a view to seeing whether the crop situation was such that although no threshing had taken place in a large number of places it would be possible to put into effect P.F.A.A. payments.

The report I received was that approximately only 30 per cent of the threshing had been done in the Peace river area including the British Columbia block, and that it was extremely doubtful whether more than something between 10 per cent and 20 per cent of the remaining grain would ever be threshed. In view of those circumstances I issued instructions that something between 40 and 50 P.F.A.A. inspectors should be secured immediately to make a detailed assessment of the situation in practically every township in the Peace river area. As a result of this I expect that P.F.A.A. payments in very considerable amounts will be put into effect in the area.

In addition, the crop which was harvested in the Peace river country was nearly all tough and damp grain. Therefore representations were made that if this grain was to be saved and prevented from going bad, special means would have to be taken in order to get it down to a terminal elevator where it could be dried. I took up this matter with the wheat board and the Department of Trade and Commerce. They are now working on that problem, and I trust that some means will be evolved of getting this grain into the terminal elevator in Edmonton and possibly the terminal elevator at Vancouver, where it can be dried and thus made available for general use.

PUBLICATION "CANADA—PRICES OF SELECTED AGRICULTURAL PRODUCTS"

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I have a question for the Minister of Agriculture which perhaps might more appropriately be raised as a question of privilege. In any event, it has to do with the exchange which took place between the Minister of Agriculture and myself on Tuesday, November 26, as to whether certain agricultural prices in this country were falling. In his statement the minister referred to a—

[Mr. Low.]

Mr. Speaker: Order. May I remind the hon. member that if exception is taken to what is said in the house it must be taken at the time. We cannot go back and correct *Hansard* of the past.

Mr. Argue: Mr. Speaker, I believe I can substantiate the point that the house was misinformed, misled in a very material way by the minister, and I think that is a question of privilege. If you believe at this moment that it has more to do with the argument itself I am quite prepared to drop it, but I do believe that if you will hear me out you will agree that it is a question of privilege.

Mr. Speaker: It may very well be a question of privilege, but my point is that the practice has been to limit the raising of objections to what is said in the house to the time when it occurs. It would be impossible, I think, as the house appreciates, to go back and deal with matters which are long since past, and I would ask the hon. member to try to correct it in another way.

Mr. Argue: I will make it a direct question to the minister. Can the minister give us the source and origin of the publication to which he referred last Tuesday, which he entitled "Canada—Prices of Selected Agricultural Products"? A most diligent inquiry at the bureau of statistics, the library of parliament and the library of the Department of Agriculture would indicate that this publication was either a fiction—

Mr. Fleming: Order.

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, this particular publication, which I took the precaution of bringing down with me again today in case there might be any other question in regard to prices, is entitled "Canada—Prices of Selected Agricultural Products". This particular issue is dated 20/11/1957. It is put out by the economics division of the Department of Agriculture, Ottawa, Ontario. I think the hon. member can see that it exists; it is not a myth.

Mr. Argue: I have a further question. Is it not a fact that this is an intergovernmental document and that it contains statistics produced by the bureau of statistics on the clear understanding that they would not be made public?

Mr. Harkness: Well, I cannot make any definite statement with regard to that. My understanding was that it was not a document of that kind, but I would have to inquire in order to find out the exact status of the publication.

Mr. Argue: I think you should.

Mr. McIlraith: Would the minister tell us if that publication is available to other members of the House of Commons?

Mr. Harkness: That is the very point I just made, that I will have to inquire what is the status of the publication. My understanding was that it was available generally but that may not have been the case.

Mr. McIlraith: Will you inquire?

Mr. Harkness: I have just said I would inquire.

Mr. Argue: I think it is classified.

GRAIN

DECREASE IN MARKETING—REQUEST FOR DEFICIENCY PAYMENT

On the orders of the day:

Mr. W. M. Johnson (Kindersley): Mr. Speaker, I should like to direct a question to the Acting Minister of Trade and Commerce. Can the minister give an explanation to the house and the country as to why the farmers' marketing of grain in the prairie provinces from the start of the crop year until November 13 has been only 129 million bushels, which is the lowest figure at this time in the last 10 years and slightly more than half of the 10-year average? Is the minister prepared to give consideration to the immediate announcement of a deficiency payment in the form of a participation payment from the treasury on last year's crop to compensate for this drastic decline in income?

Hon. J. M. Macdonnell (Acting Minister of Trade and Commerce): Mr. Speaker, I received notice of this question just a few moments ago, and I shall take it as notice.

STATEMENT ON REPORTED REFUSAL OF ADVANCES BECAUSE OF LEASED ACREAGE

On the orders of the day:

Hon. J. M. Macdonnell (Acting Minister of Trade and Commerce): Mr. Speaker, on November 27 the hon. member for Humboldt-Melfort asked the following question:

> Has it been brought to the minister's attention that farmers are being refused cash advances on their specified acreage merely because they have additional acreage under lease?

The answer is as follows. I am unaware of producers being refused cash advances for the reason given by the hon. member. The Prairie Grain Advance Payments Act became effective on November 25, 1957, and it may be several days before it is operating smoothly. The act provides for advances to producers who farm their own land and who have additional acreage under lease. As hon. members are aware these are advances and it is therefore necessary that all parties interested in the land, as recorded in the producers' permit book, sign the application form and agree to the deduction of one-half of the proceeds of subsequent initial payments for deliveries of wheat, oats and barley.

[*Later:*]

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. In his absence possibly the acting minister would take my question as notice. It arises out of an answer he gave a few moments ago. Will the minister give consideration to amending the regulations in respect of a producer getting the cash advance on his own acreage, and thereby remove the present condition that is presenting a serious problem to those producers under the present regulations?

Mr. Macdonnell: I shall take the question as notice as requested, but I should like to emphasize the fact, as I stated in my previous answer, that the act became effective only on November 25 and today is November 29. Therefore there has not been very much time in which to iron out any small difficulties which may arise. Nevertheless, I will take it as notice.

REPORTED SLOWNESS IN PROVIDING ADDITIONAL QUOTAS

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I would like to direct a question to the Acting Minister of Trade and Commerce. My question arises from a substantial number of complaints I have received to the effect that often where elevator space is available at marketing points for additional quotas, the quotas are not being quickly provided. Can the minister say whether such situations are being corrected, and what the wheat board's policy is in this regard?

Hon. J. M. Macdonnell (Acting Minister of Trade and Commerce): Mr. Speaker, it is the policy of the Canadian wheat board to increase delivery quotas as rapidly as possible. The hon. member will appreciate, however, that before a delivery quota can be increased some space must be accumulated to take care of at least a part of the increase. This is particularly true at larger delivery points, where an increase of 1 bushel per specified acre requires a relatively large amount of space. Bearing upon the question of the hon. member is the fact that at a considerable number of delivery points in the prairie provinces there is some space available but not sufficient to take care of all the grain which producers can deliver

under present delivery quotas. It will not be the policy of the board to hold this space for any length of time.

The present country elevator stocks of grain are 305 million bushels as compared with 296 million bushels at the same time last year. I can assure the hon. member that the wheat board will continue to increase delivery quotas just as rapidly as space permits.

Mr. Argue: Mr. Speaker, I would like to ask a supplementary question which the minister may not be able to answer and, if not, he could take it as notice. I take it from his answer that the wheat board is not following a policy of waiting until enough space has been made available for an additional quota merely because the wheat board is reluctant to give these points quotas higher than the general prevailing quotas in western Canada?

Mr. Macdonnell: Mr. Speaker, I think the hon. member will agree that this is a matter with regard to which I should consult with the board.

TRADE

SALMON—INQUIRY AS TO IMPORTS FROM JAPAN

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I have a question for the Minister of Fisheries. Has the minister received a letter from the united fishermen and allied workers' union concerning the heavy importation of Japanese canned salmon? If so, what action does he contemplate taking in the matter?

Hon. J. A. MacLean (Minister of Fisheries): I want to thank the hon. member for giving me notice of his intention to ask this question. However, the notice reached my office only a few minutes ago, and I am not in a position to make as full a statement at this time as I should like. I can say that such a letter did arrive in the department about an hour ago.

The question of the importation of Japanese salmon, which is said to be heavy—and I think that is a matter of opinion—is one which has existed in previous years. I understand the purpose of allowing these importations is to permit Canadian producers of salmon to maintain their best market, which is the British market. In any case I shall give a fuller reply on Monday.

Mr. A. B. Patterson (Fraser Valley): I should like to ask a supplementary question of the Minister of Fisheries. While investigating the matter that has been raised by the hon. member for New Westminster, would the minister consider as well the fact that in the marketing of imported salmon from Japan, Canadian canners use the "Cloverleaf", "Gold Seal", and "Paramount" labels, which are the top brand labels of three of the largest companies. The words "Product of Japan" were printed in such small letters that few individuals knew they were not purchasing the Canadian product. Will the minister insist that adequate indication of the country of origin be printed on the labels?

Mr. MacLean: This is a matter that has already been brought to my attention, and I think the facts stated by the hon. member are substantially correct. This question has received careful consideration, and I will give a fuller reply to that question as well on Monday.

CANADIAN SURPLUS DISPOSAL PROGRAM—REQUEST FOR STATEMENT

On the orders of the day:

Mr. G. H. Castleden (Yorkton): I should like to direct a question to the Acting Minister of Trade and Commerce, notice of which I sent him this morning. Will the minister inform the house what consideration has been given to establishing a disposal program for our surplus agricultural products in order that they may move more quickly to the underdeveloped countries of the world, now in urgent need of food?

Hon. J. M. Macdonnell (Acting Minister of Trade and Commerce): I shall take this question as notice, since I received it just a few minutes ago.

ALLEGED IMPORTATION OF BRITISH TRACTORS AND PARTS THROUGH U.S.

On the orders of the day:

Mr. E. B. Huffman (Kent, Ont.): I should like to direct a question to the Acting Minister of Trade and Commerce of which I have just sent him notice. Would the minister comment on the announcement in this morning's *Gazette* that a large portion of the $150 million Canadians spent last year for so-called United States tractors and parts actually flowed back to Britain because such parts were manufactured in Britain, exported to the United States and then re-exported to Canada? Would the acting minister also take steps to correct Canadian statistics on trade with the United States, as suggested by members of the trade mission now in Great Britain?

Hon. J. M. Macdonnell (Acting Minister of Trade and Commerce): I am informed that Canadian import statistics are based on

customs entries, as is customary in all countries. This is the only practical way of gathering figures of imports and exports. It would be virtually impossible to adjust the statistics so as to allocate all components and materials to the ultimate country of origin. I would not even care to hazard a guess as to how such a compilation might affect our trade balance with different countries. For example, some of our imports from the United Kingdom are made from materials or components which come from the United States—for example, cotton textiles—and many of our exports contain items which are of foreign origin.

MISSION TO UNITED KINGDOM—STATEMENT ON ALUMINUM PURCHASES

On the orders of the day:

Hon. J. M. Macdonnell (Acting Minister of Trade and Commerce): Mr. Speaker, on November 27 the hon. member for Kingston asked me the following question:

> May I direct a question with respect to the Canadian buying mission sponsored by the government of Canada, which mission is now in Britain?
>
> Is it true that members of the mission may make arrangements to buy aluminum products in Britain to import into Canada?

Of course I have no information on the business discussions which the more than 50 members of the mission are conducting while they are in the United Kingdom. However, I might point out that the Minister of Trade and Commerce described the purpose of the mission as "to stimulate purchases from United Kingdom sources of goods now imported by Canada from non-commonwealth countries".

As the hon. member knows, Canada is herself a leading manufacturer of aluminum products. In fact, this industry has made a great contribution to the economic development of our country, and its products are exported to all parts of the world. We do also import some aluminum products from various countries, including the United Kingdom and the United States. The hon. member may draw his own conclusions from these facts.

FINANCE

INQUIRY AS TO INTRODUCTION OF BUDGETARY PROPOSALS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the concern that has arisen in the motor car industry because of press reports that there would be a reduction in the tax on automobiles, can the minister say whether he intends to introduce a budget at an early date or is he considering giving notice of tax reductions that could be effective immediately upon such notice, subject to approval by parliament?

Hon. Donald M. Fleming (Minister of Finance): These matters are all under consideration, and I shall be only too happy to make any recommendations of the government known to the house as soon as possible.

[*Later:*]

Mr. Knowles (Winnipeg North Centre): May I direct a supplementary question to the Minister of Finance. Does his statement, that any recommendations to be made by the government concerning taxation proposals would be made known to the house mean that there is still the possibility of a budget at this session? Is he aware of the fact that his unwillingness to give direct answers to questions about the budget is not only a denial of information to members of this house, but is also causing deep concern in the country?

Mr. Fleming: Mr. Speaker, I am not aware of any such thing, because it is not the fact.

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, I should like to address a question to the Minister of Finance arising out of the policy he announced yesterday. In the interests of descriptive accuracy, would the minister change the name of his swinging-door policy to the flapping-door policy, or is it correct to assume—

Some hon. Members: Oh, oh.

An hon. Member: Sit down.

Mr. Harrison: —that the minister is opening a chain of beverage rooms to recoup his losses?

Mr. Speaker: Order. I trust that the hon. member does not want to take the time of the house with a question phrased in those words.

CANADIAN NATIONAL STEAMSHIPS

REPORTED STATEMENT OF MR. BANKS ON REFUSAL OF MEDIATION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to address a question to the Minister of Labour. In view of the report in this morning's *Gazette* that United States citizen Harold Banks is reported as denying that he refused the minister's offer of mediation in the seamen's dispute, and as this is an implication that the minister did not inform

the house correctly the other day, would the minister care to comment on this fellow's remarks?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I can only say that what I said yesterday in reply to the question put to me by the hon. member for Vancouver-Kingsway is correct.

[*Later:*]

Mr. S. H. S. Thompson (Edmonton-Strathcona): Mr. Speaker, further to the question asked by the hon. member for Kootenay West concerning Mr. Banks, would the Minister of Labour inform the house whether it is the policy of the government to negotiate with other than Canadian citizens regarding the welfare of Canadians and Canadian industries?

Mr. Starr: Mr. Speaker, I did not hear all of the hon. member's question. I wonder if he would mind repeating it.

Mr. Thompson (Edmonton-Strathcona): Would the minister inform the house whether it is the policy of the government to negotiate with other than Canadian citizens regarding the welfare of Canadians and Canadian industries?

Mr. Starr: Mr. Speaker, I will have to take that question as notice and see just what implications are contained therein.

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO PRESSURE APPLIED DURING TEST

On the orders of the day:

Mr. Louis Lewry (Moose Jaw-Lake Centre): I should like to ask a question of the Minister of Transport. Can the minister obtain the pressure rate which was being applied during the test on the trans-Canada natural gas pipe line just prior to the blow-out on the line near Mortlach, Saskatchewan, on November 3, 1957, in view of the earlier statement that the pipe was designed for a working pressure of 826 pounds?

Hon. George H. Hees (Minister of Transport): I will make inquiries of the board of transport commissioners and try to obtain that information for the hon. member.

FRUIT

APPLES—STATEMENT ON ADVERTISEMENTS IN C.N.R. DINING CARS

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, while I am on my feet I should like to answer the following question which was asked me yesterday by the hon. member for Westmorland (Mr. Murphy):

> Mr. Speaker, I wish to direct a question to the Minister of Transport. I should like to ask the minister—he will not do anything, but I should like to ask him, nevertheless—why only British Columbia apples are advertised on the C.N.R. dining car menus on trains in New Brunswick and Nova Scotia, where excellent apples are also grown, and whether he will do anything to remedy this matter?

Contrary to the hon. member's expressed expectation I immediately, as I always do, got in touch with the management of the Canadian National Railways, and I have this report from them. This advertisement is a paid advertisement on the back of all dining car meal checks. Apple growers throughout Canada were asked to bid on this advertisement and none did so except British Columbia. They were therefore awarded the space.

Mr. Sinclair: The minister knows where the applause is coming from.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—INQUIRY AS TO PROGRESS OF DISCUSSIONS

On the orders of the day:

Mr. W. A. Tucker (Rosthern): Mr. Speaker, I should like to direct a question to the Prime Minister. Has he completed conferring with the representatives of the Saskatchewan government with regard to the South Saskatchewan dam? If so, is he prepared to make any statement on the matter?

Right Hon. J. G. Diefenbaker (Prime Minister): The answer is that, to use my hon. friend's expression, the conferring is still continuing.

Mr. Tucker: Might I ask a supplementary question. Are those conferences still going on in Ottawa, or are they now going to go on by means of letters spaced several weeks apart?

Mr. Diefenbaker: As to that matter, as I mentioned the other day, in 1948 my hon. friend advocated in a by-election in Rosthern the election of Mr. Boucher, and said that the dam would be proceeded with at once if he were elected. May I say that we do not intend to follow that type of conferring, not weeks apart but years apart. Anything further that is done from now on will naturally consist of conferences as between engineers and officials, and also representations by letter as between the government of Saskatchewan and this government, to the end that at the earliest possible date an agreement will be arrived at to permit proceeding with the dam.

Mr. Tucker: On a question of privilege—

Right Hon. J. G. Gardiner (Melville): May I ask a further question. Would it be possible to draw the inference that the conference might be continued at the Grey cup game?

Mr. Diefenbaker: I have known Grey cup games to be the excuse for many other conferences in the past, and possibly that suggestion has some ground for consideration.

Mr. Tucker: I rise on a question of privilege, Mr. Speaker. The Prime Minister suggested that some promises were made during the 1948 by-election. Might I point out to him, as was pointed out in that by-election—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. The hon. member is not raising a question of privilege, as far as I understand what he is saying—

Mr. Tucker: Mr. Speaker, the other day the right hon. Prime Minister made a statement which he repeated today, and I do think it is in order for me to be permitted to state what actually happened when it is within my own knowledge, which is all I wish to do. I think I have the right to frame a question without misrepresentations being made.

Some hon. Members: Sit down.

Mr. Speaker: I am sorry, but I disagree with the hon. member. As I understand it, he has endeavoured to correct a statement which the Prime Minister has made. That might be permitted as a matter of privilege if it were a reflection on any member in the house, but I do not understand that to be the situation.

Mr. Tucker: Mr. Speaker, the Prime Minister may not regard it as a reflection when he speaks of not keeping promises, but when he makes that statement about me I regard it as a real reflection. He has now stated twice that this promise was made. I let it go once but he repeated it today, and I think I should be permitted to say exactly what was stated in that by-election.

Mr. Monteith: No, no; save it for the next election.

Mr. Speaker: I would appreciate it if the hon. member would repeat the statement to which he objects so I will know what is his question of privilege, if there is one.

Mr. Tucker: Mr. Speaker, the right hon. Prime Minister said that in the 1948 by-election, when Mr. Boucher was elected the representative for Rosthern, it was promised that if he was elected the dam would be proceeded with at once, and I wish to state that no such promise was made. It was merely indicated—

Some hon. Members: Oh, oh.

Mr. Tucker: It was indicated—

Some hon. Members: Oh, oh.

Mr. Harkness: When is a promise not a promise?

Mr. Speaker: Order.

Mr. Tucker: It was indicated by me that if the people voted for Mr. Boucher it would show they were favourable to the dam being built.

Mr. Speaker: Perhaps the matter need not be pursued, but I did not think there was a reflection on any member in the house.

UNEMPLOYMENT INSURANCE

REQUEST FOR INVESTIGATION INTO SITUATION IN NORTHWEST TERRITORIES

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, I would like to address a question to the Minister of Labour and he may take it as notice if he is unable to make a statement today.

The question is as follows. Is the minister aware that persons in the Northwest Territories are having great difficulty in obtaining their unemployment insurance payments and, in some cases, are not even receiving acknowledgment of their application from the Edmonton office of the unemployment insurance commission?

Will the minister investigate this condition and recommend the re-establishment of the unemployment insurance office in Yellowknife in the very near future? In the meantime, will he dispatch a man from the Edmonton office to Yellowknife to look after this immediate situation, which is causing great hardship to many persons?

Hon. Michael Starr (Minister of Labour): In answer to the hon. member, Mr. Speaker, may I say that we will look into all aspects of this situation to which the hon. member has brought my attention, and we will certainly do everything possible to rectify it.

HEALTH AND WELFARE

REQUEST FOR INCREASE IN FAMILY ALLOWANCES

On the orders of the day:

Mr. H. J. Murphy (Westmorland): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare. Does the government intend to increase family allowances, as promised by Conservative candidates in New Brunswick, and will this be done in time for Christmas, 1957, in line with other social legislation of this

house and because of the severe unemployment situation which paints a gloomy picture for the nation's children this Christmas?

Mr. Bell (Saint John-Albert): You are not getting any press on these questions, Murphy.

Mr. Murphy (Westmorland): I am getting more than you got, Bell.

Mr. Gauthier (Portneuf): Ding, dong, Bell.

Mr. Cardiff: You are getting to be a nuisance around here more than anything else.

Mr. Pearson: You ought to know how it feels.

FISHERIES

LOBSTER DISTRICT NO. 4, N.S.—OPENING OF SEASON

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 Fisheries and ask him whether he has received representations from the Shelburne and other county ministerial associations, requesting that the opening of the lobster season in district No. 4 be changed from Sunday, December 1, to Tuesday, December 3? If so, what action if any does the minister plan to take?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I want to thank the hon. member for giving me notice of his intention to ask this question. I think the correct answer is yes, but I cannot be specific about this particular ministerial association. In any case, such a representation has been made by several ministerial associations, including that of Queens county, Nova Scotia. I might say that the hon. member for Queens-Lunenburg (Mr. Crouse) has already discussed the same matter with me and had indicated his intention to ask a similar question.

A request was received on November 21 from the Queens county ministerial association that the Department of Fisheries investigate the matter immediately and, if possible, to take the necessary steps to change the opening date of the lobster season in this area for this year from December 1 to December 3. The lobster fishermen would thus be allowed to set their traps on Monday, December 2, instead of Saturday, November 30. Since the opening has already been advertised as effective December 1, it would be rather difficult to effect any change this year.

I might point out however, Mr. Speaker, that existing regulations permit lobster fishermen to set their traps on the noon of the preceding Saturday when the opening date falls on either a Sunday or a Monday.

This regulation was established pursuant to discussions between senior officials of the department and lobster fishermen throughout the provinces of Nova Scotia, New Brunswick and Prince Edward Island; and I might point out that an overwhelming preference was expressed by the fishermen in favour of the existing regulation. Thus where the season opens on a Sunday, by reason of the fact that traps may be set on the Saturday preceding, the opening Sunday would be precisely the same as any other Sunday falling within the open season, and whether or not the traps are fished is left entirely to the discretion of the individual fisherman himself.

In other words, the decision is that the lobster fishermen can set their traps tomorrow, and that will result in Sunday being in exactly the same position as any other Sunday which falls within the lobster season.

PENITENTIARIES

KINGSTON—INQUIRY AS TO CONSTRUCTION OF NEW WOMEN'S PENITENTIARY

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. Is consideration being given or action being taken with respect to the construction of a new women's penitentiary in the Kingston area?

Hon. E. D. Fulton (Minister of Justice): The matter is under consideration, but no progress can be made until a decision is reached as to what is to be done in connection with the recommendations contained in the Fauteux report. This matter is now being studied, and it is hoped that we shall be in a position to invite the provinces into a conference early next year. We realize that several of the provinces have their own building programs which are being held up by the lack of a decision, but it has seemed desirable to arrive at a decision on the over-all implementation of the report before such building programs, including our own, are proceeded with.

POWER

DISPOSITION OF DOWNSTREAM BENEFITS IN INTERNATIONAL WATERWAYS

On the orders of the day:

Mr. G. W. McLeod (Okanagan-Revelstoke): On November 21 I asked a question relating to top level negotiations by our ambassador to the United States in the matter of downstream benefits. In the absence of the Secretary of State for External Affairs this

was referred to the Prime Minister and, in his absence, I received this answer from the Minister of Public Works:

I believe this question was sent to the Prime Minister's office before the house opened this afternoon, and answers are being prepared.

I am just wondering, Mr. Speaker, how much longer it is going to take to prepare the answer to this quite simple question.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I will have it looked into. Certainly I will have it answered at the earliest possible date. I am sorry if my hon. friend has been inconvenienced. If he had given me a call on the telephone I would have seen that the answer was here by this time.

PRIVILEGE

MR. KNOWLES (WINNIPEG NORTH CENTRE)—REFERENCE TO STATEMENT BY MINISTER OF LABOUR

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege.

Some hon. Members: Oh, oh.

Mr. Sinclair: It was different when you supported these questions of privilege.

Mr. Knowles (Winnipeg North Centre): Yesterday I asked the Minister of Labour if he would pursue a certain matter having to do with complaints regarding changes in the Canadian Pacific Railway's pension plan. The minister indicated that he had not had any representations concerning the matter. I can readily understand that he has a great deal of correspondence and since I had not given him notice I realize that his answer is not to be held against him. However, may I now send over to him copies of two letters and a note about a third which he received concerning this matter, and also copies of three of his replies concerning this same question. The minister's memory as to the correspondence having been refreshed, perhaps he might give me an answer next week.

SUPPLY

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

DEPARTMENT OF VETERANS AFFAIRS

497. Departmental administration, $2,304,705.

Hon. A. J. Brooks (Minister of Veterans Affairs): Mr. Chairman, I should like to say at this time that I am very conscious of my responsibility in presenting the estimates for the current fiscal year, of the department whose duty it is to care for my former comrades and the dependants of those who gave their lies in the cause of freedom. I must ensure that the work of the department is carried on just as economically as is possible, but, at the same time insist that there be no downgrading of the several services that the department is required to render.

I welcome this opportunity to express publicly my appreciation of the co-operation I have received since taking office, from all members of the house, from the Canadian Legion, the national council of veterans associations in Canada, and other veteran organizations, from officials of the benevolent funds of the three armed services and from other organizations and individuals with whom the department is associated in its work. I assure you, Mr. Chairman, that this co-operation has rendered my task much easier.

As hon. members know, the main estimates of the department which are now before the committee were presented to the house by the former government, and were actually prepared by the department in October and November, 1956. The experience in the rate of expenditure for the first seven months of the current fiscal year indicates that there will be some reduction in the requirements estimated at that time. The organization of the department has remained unchanged during the past year and the establishment has reached a continuing level. There has been a decrease in the number of employees in practically every vote except treatment services. The increase in treatment services staff results mainly from the extension of the five-day week to all D.V.A. hospitals.

In spite of reductions in staff, all salary votes show an increase consequent upon the general salary revision effective May 1, 1957. Furthermore, taking the main and supplementary estimates together, the votes for pensions and war veterans allowances show increases resulting from the revision in rates and permissible income ceilings which were approved by the last parliament to be effective July 1, 1957.

Generally speaking, Mr. Chairman, the volume of work of the department has remained fairly constant, but it might be noted that the trend of the activity of the welfare services branch has continued to move away from work connected with rehabilitation benefits and toward the handling of war veterans allowance problems and individual welfare cases of a problem nature. The branch is successfully applying the provisions of the Children of War Dead (Education Assistance) Act, and it is gratifying to note that the

number of applications has exceeded somewhat the number the department had expected. A total of 277 children have completed their training program, and 465 are undergoing training at the present.

The level of the treatment patient load remains steady. Construction continues with a view to bringing all D.V.A. hospitals to a modern standard. The construction at Colonel Belcher, Calgary, is now completed; that at Deer Lodge hospital near Winnipeg will be finished next spring; construction at Shaughnessy, Vancouver, has been started; and at Westminster hospital, London, Ontario, it is in the planning stage.

As hon. members know, the government, in the few months since it took office has already been able to prepare two bills, one of which to amend the Pension Act is now before this house and the other, amending the War Veterans' Allowance Act, has already received the approval of this house and the Senate and has been given royal assent. Other acts are being studied, and where changes are necessary amending legislation will be introduced at an appropriate time in the future.

Before resuming my seat I should like to say a word about the Vimy memorial. As hon. members know, this is one of the most impressive monuments built after world war I. Though undamaged by enemy action, the Vimy memorial has suffered somewhat by lack of adequate maintenance care during the war years. Extensive renovation work is now being carried out and is expected to be completed by next spring. The work will restore the beauty of this outstanding memorial to Canada's dead.

I shall have more to say, Mr. Chairman, on the different items in the estimates as they come up for consideration. I shall also answer, as far as possible, any questions which hon. members may care to ask on the first item. I assume, following the ordinary procedure, there will be a general discussion. We have already had an extensive debate on the War Veterans' Allowance Act and a considerable debate on the resolution preceding the pension bill.

Mr. Tucker: I do not intend to take too long at this stage, Mr. Chairman, because as the minister has stated most of the expenditures provided for in these estimates are expenditures authorized for pensions, war veterans allowance, treatment of veterans, Veterans' Land Act operations and the like. It is a matter of voting money for the splendid work being done by Canada for those who served in her armed services over the past many years. I have not heard the minister suggest that this is one of those departments in which there is waste or extravagance, reference to which has been made by other members of the government concerning proposed expenditures in the estimates brought down by the previous government. I hope the minister will definitely indicate whether or not he has found any evidence of waste or extravagance in his department.

I have more knowledge of this department than other government departments, and I must say that if other departments are administered with similar devotion to the duty of the department under the statutes passed by this parliament and with the same attempt to do the best possible job of which human beings are capable, then I am sure we have the finest administration by the civil service of Canada of any country in the world. Sometimes it seems to me that people do not realize the tremendous amount of good work that is being done in this department. Again I say that I do not know very much about the other departments, but I do know that at times there is a feeling there are more civil servants than are necessary to do the work involved. I am not saying that is true, but I know some people believe it. If the same conditions prevail in other departments that prevail in the Department of Veterans Affairs, then I can say decisively the statement is not true.

The various persons involved in the administration of this department are really trying very hard to do their work in a conscientious way and to carry out the purposes parliament had in mind when it passed the veterans charter and the amendments which have been made thereto from time to time. Sometimes we do not realize the amount of very hard work and devoted service we get from our civil servants. I think these remarks, made at a time when I am now in the opposition, will probably be more fitting and carry more weight than those of a person who is a supporter of the government. I have known many men in that department who have worked to the point where I felt they were endangering their health in order to get a good job done.

If one looks through the report of the Department of Veterans Affairs and considers the number of people in Canada who are benefited by the work of that department I think, even if he has some knowledge of the work of the department, he must be astonished at the amount of work that is accomplished. For example, let us consider the payment of war service gratuities. There was actually paid out a sum totalling $470 million, not including payments to the Korean veterans. Payments to Korean veterans numbering 26,476 amounted to over $6.5 million, according to the last annual

report. Re-establishment credits, which helped so many veterans get re-established, totalled $299 million, not including the payments to Korean veterans. If we include the payments to Korean veterans the total is brought up to over $302 million.

There is another matter I should like to mention. The Children of War Dead (Education Assistance) Act was passed to ensure that the children of men who served their country and who were killed or disabled, do not suffer by virtue of that service. I am sure all hon. members approve of that measure, and personally I hope consideration will be given to expanding that act in order to see to it that when a person has lost his life or has been disabled in the service of his country, his children shall not suffer in any way shape or form having regard to the education they are able to get or the training they may get for life. In that regard the country should consider itself as stepping into the position of the parent who gave his service so unselfishly for his country. This work has gone on well but, as I say, study should be given to expanding it so as to make it apply not only to those who were killed but to those who were disabled.

As the minister knows, he and I have talked about this matter. I am sure he and his associates, the people in the department, are sympathetic to the idea I have put forward. I was pleased to see that even more advantage had been taken of this act providing for help to educate the children of the war dead than I think was expected at the time it was passed. I note that according to the annual report the total number who had been dealt with under that act is 872. When one considers what that means in the matter of helping the children of those who have served, one must be extremely glad that parliament has made that provision.

I should like to compliment the department on the work being done in connection with correspondence courses. I was glad to find that there were no less than some 9,500 being helped last year through correspondence courses under the Department of Veterans Affairs. Then I think of the welfare services, and I will not take the time of the house to go into that matter in any detail. However, that personal attention given to assisting veterans in their various problems and difficulties is something of which any one who knows anything of the work must be very proud and pleased.

The war veterans assistance fund, which was designed to help those people who could not supplement their incomes, also has been helpful and has been used, I think, more than many hon. members realize. I note that according to the last annual report there were no less than 4,058 on the list receiving help as at March 31, 1956, and that the total number of those who had been helped during that year 1956-57 ran up to something over 8,000 who were in receipt of war veterans allowance but who needed additional help under that war veterans assistance fund.

As to the number of veterans under the War Veterans Allowance Act getting help, I have heard that act described by many people as an act which is perhaps rather unique with regard to veterans legislation. Many people regard it as a pension for disability or something of the sort but it is, in fact, an act designed to give assistance to those who are not pensioned or not getting adequate pensions to get along. Several countries which were our allies in the war have no such provision to assist their veterans. I know that war veterans generally consider that act to be one of the finest under the veterans charter. The war veterans allowance expenditure, as I see it in the estimates, is nearly $50 million.

Then I come to the treatment services. There again continuing treatment of those who were disabled, particularly those who are permanently disabled, is a work that is going on carefully and with some consideration for services rendered by those being treated. I think ex-servicemen are highly satisfied with the treatment they are getting in our veterans hospitals. I note that according to the report the number of patients in departmental hospitals as of March 31, 1957, was over 7,800. Actually the number of admissions to departmental hospitals during that year had been over 50,000, the number of admissions to other hospitals some 18,000, and the number of out-patient treatments some 657,000.

I should like to mention prosthetic services. I venture to say most hon. members have no idea of the amount of good work that is being done in that particular field. I note that according to the report the number of appliances supplied during the year was no less than 123,000, with 20,000 repairs, and that the total number of patients dealt with in connection with prosthetic services in the last year were no less than 69,000.

The veterans bureau is something that is, in my opinion, of great value. No doubt the various veterans organizations such as the Canadian Legion, the army and navy and air force veterans association, and the Canadian council of disabled veterans, have given great help to veterans in pressing for their pensions and other needed assistance. The veterans bureau is always there to give help

even where the Canadian Legion or other veterans organizations are willing to help. They may not be as well organized in one part of the country as in another. According to the annual report I note that the number of claims brought forward by the veterans bureau was 5,800. I think hon. members who have had anything to do with this work will realize the tremendous amount of work involved in preparing that number of cases for submission to the pension board.

There is one act to which I very much want to refer, and that is the Veterans' Land Act. Under the director of the Veterans' Land Act, Brigadier Rutherford, there has been set up a system of advising the veterans who are settled under the V.L.A., and of assisting them in being successful farmers, giving them the best scientific advice and the like, so the man who is the representative of the Veterans' Land Act I believe in most cases is regarded as the real friend of the veteran and not purely as a collector of outstanding accounts. The amount of good work done in enabling people to establish themselves in full time and part time farming, as evidenced by the number of happy and successful homes that have been set up as a result of this splendid legislation, is really something on which, in my opinion, we can look with a great deal of satisfaction.

I see in the annual report that $357 million had been expended on behalf of over 67,700 veterans, and I think hon. members can be very pleased that, up to March 31 this year, of the amount spent over a period of 12½ years in settlement operations approximately 40 per cent has been paid by the veterans themselves. This shows that the legislation was conceived in such a way as to give our veterans a chance to be successful, and it is also an indication of good administration over the years. In this connection I would like to sincerely compliment the people engaged in this work.

I would also like to mention the work done by the department in connection with small holdings and the encouragement of veterans in the building of their own homes. They have been able to save a great deal of money in this way, and I think it has worked splendidly in enabling them to become home owners for much less money than would otherwise have been the case.

I would like to deal for a moment with the Pension Act. I am going through these details rather hurriedly, as I do not wish to hold up the proceedings in the house, but I feel quite strongly, having been in contact with the department for many years, that it would be unfair of me not to take the first opportunity to commend the people with whom I have been associated in the department on the wonderful job they have done. I think the veterans of our country and the people of Canada generally do appreciate the good work done by the Department of Veterans Affairs.

Now in regard to disability pensions, I think the average member can have no conception of the amount of work done by the pension commission. Each case, of course, requires detailed examination and, although I do not say that pensions have always been granted where I personally may have thought they should have been granted, it has been the feeling of veterans that it is desirable to have the matter left in the hands of an independent pension commission which would not be under pressure from any person in government. In this way the matter is freed entirely from any question of political partisanship, and this is only fair to our veterans. This tradition has been established by the pension commissioners down through the years, and they have tried to do a completely non-partisan job. As a matter of fact I know that members sometimes get letters about pension matters from their constituents, who find it hard to believe that the member cannot in some way bring pressure to bear in this regard.

What the member can do and in fact does —and this is welcomed by the commission— is to bring forward all the facts and arguments he can on behalf of the veteran. My own experience has been that these cases are given very sympathetic consideration, but there the matter stops so far as any influencing of the commission is concerned. The tradition has been established, and they decide as they think right in the light of the terms of the act provided for them by parliament. I am sure the people of Canada and parliament would wish this to be so.

According to the annual report I see that disability pensions in force at March 31, 1957, numbered 54,400 with respect to world war I. Pensions paid in respect of dependents numbered over 15,000. Payments in respect of disability went to dependents numbering 69,400. The grand total in receipt of benefits totalled over 114,000. This is in respect of world war I. This involves a tremendous amount of work, and one wonders how the people who have done this work over the years have managed to accomplish as much as they have.

With respect to world war I, their numbers are unfortunately dwindling. I believe the falling off in the number of people in receipt of pensions with respect to world war I totalled somewhere around 2,000 during last

year. As the country sees the people who served it in war passing from their midst, I am sure they will be glad that at least as much has been done for them as has in fact been done, and will certainly feel that in all fairness if there is some further improvement which can be made it should be given sympathetic consideration.

With respect to world war II, of course, the department has been more active in connection with application for pensions and so on, and I see that the total number of pensions in force with respect to this war as at March 31, 1957, was 120,700. This again involves a tremendous amount of detail work, important as it is. I have not spent much time in dealing with the pensions received by men and their dependents with respect to service in the Korean war. I feel, however, in the light of our experience and the satisfaction with which the country has greeted efforts made on behalf of veterans in previous wars, that those who served in Korea will get at least as favourable consideration, if not better. The experience gained with respect to those who served in the previous wars will be invaluable in this regard.

I have not been able to deal in detail with the tremendous amount of work done by the war veterans allowance branch, but I find in the annual report that the recipients of war veterans allowances as at March 31, 1957 totalled 53,590. Here again I would like to pay tribute to the deputy ministers through the years, and particularly the former deputy minister, Walter Woods, for setting up an organization which has enabled all these matters to be dealt with in an expeditious and sympathetic way, and which has also enabled much of the red tape to be taken out of the administration of this department. This work has, I think, been very well carried on by the present deputy minister and the various heads of departments.

I have not done more than scratch the surface of this subject nor point out all the work done by the department, and I would apologize to those whose work I have not mentioned. I would commend to the members of this house a perusal of the annual report of the Department of Veterans Affairs so they may be made aware of the efforts of a very devoted department of our government.

I am sure the minister, having had long connection with the work for the veterans, the setting up of the veterans charter and the improvement of it from time to time, to which I know we are all devoted, has his heart in the making of this legislation as effective as it can be. I know he will want to see that it goes as far as it possibly can to give expression to the feelings and desires of all our people to be fair to those who gave their services to their country in times of war. I extend to the minister and his associates in the department the very best of good wishes, and express the hope that the work which has been carried on so well up to now may be continued and improved in the years ahead.

Mr. Herridge: Mr. Chairman, in rising to speak on the first item of these estimates I must again assure the minister of the support of this group for all his efforts on behalf of veterans, because we know that our co-operation in this respect will redound to the benefit of our comrades.

As a member of parliament I naturally take a very keen interest in the subject of veterans affairs, but I take a keen interest in it also for a number of other reasons. As one who was awarded the distinguished order of chattering teeth and quaking knees; as one whose father served in two world wars and at 82 kicked up a devil of a row because they would not take him as a quartermaster in the second world war; as one whose wife went to war with the old contemptibles as a nursing sister in 1914; as one who is the father of two daughters who served in the second war, and as the friend of many comrades in my own battalion and other battalions I have a deep, personal and abiding interest in this question.

Now, before proceeding with a few items of what I might describe as unfinished business, I want to express my appreciation of the work of the senior officials of the Department of Veterans Affairs including those delightful ladies, those charming senior officials who are so courteous and anxious to assist us and who, if they have not the information we seek, will usher us in the right direction to obtain the information. As the previous speaker said, I think this department sets an example for a good many other departments of government. This department is administered with every sympathy for the human beings those employed in it are trying to serve, and I feel that is generally recognized across the country.

I am going to make a sort of omnibus speech, Mr. Chairman, and I am going to save the time of the committee, as the previous speaker did, by taking the full time I have at my disposal.

Mr. Tucker: I did not do that, though.

Mr. Herridge: I am not going to deal with the Canadian Pension Act at this time, because Bill No. 38, to amend the act, will soon be before the house and we will have ample opportunity to bring its deficiencies to the attention of the minister when we discuss it.

However, I do want to deal with a number of matters. Some of them I have mentioned before, and I shall refer to them very briefly just to refresh the minister's memory so that when he gives consideration to amendments to veterans legislation he will have them all in order and in sequence.

With respect to the War Veterans' Allowance Act, I feel it should be amended to provide for certain unfortunate widows—and there are very few such cases—who are not married from the departmental point of view and who are not able to obtain the allowance because the husbands were not in receipt of the allowance before they died. I mentioned this on November 5, and my remarks will be found at pages 801 and 802 of *Hansard* of that date. I urge the minister to give some consideration to bringing in an amendment to correct that situation which will be of great benefit to those few people who suffer under the present terms of that section.

I want to bring to the minister's attention again the necessity for an amendment which would permit war veterans allowance recipients to leave Canada if their health required it, on the certificate of a departmental doctor or medical officer. I am all for giving these war veterans allowance recipients the right to reside outside Canada for at least as long a time as that allowed the recipients of other welfare legislation. That is now possible. I do urge that consideration be given to this question. My previous reference to it can be found at page 801 of *Hansard* of November 5.

I also want to bring to the minister's attention the fact that there are quite a number of people in this country who think the veterans of the merchant navy have never received complete justice to date. They played a most vital role during the war, many of them suffering great hardship and danger, but they have been denied up to this time the benefits of the veterans charter. I urge that the minister consider an amendment to the War Veterans' Allowance Act that would bring them under this legislation.

I also think there is a necessity for an amendment to the act to provide for certain dependent mothers not eligible at the present time. Here again these are rare cases where the veteran is the sole source of income for the mother concerned. I urge the minister to consider an amendment to the act to provide for those mothers who are at present destitute when their son, a war veterans allowance recipient, dies.

Naturally we support the constant Legion representations asking for an increase in the ceiling on permissive income to $1,200 for single persons and $2,000 for married persons. Those are the main things that require attention so far as the War Veterans' Allowance Act is concerned. I hope when the minister replies he will indicate his attitude toward these suggestions for amendments which have come from the Canadian Legion and various parties in this house.

I wish now to deal with another matter that is of great importance to Canadian veterans and which is mentioned in the last brief presented to the cabinet by the Canadian Legion; that is, that the government give consideration to amendments to the Children of War Dead (Education Assistance) Act. As far as I can ascertain this does not involve heavy expenditures, but it is a question of helping a number of children of war dead to secure a better education. In order to save the time of the committee and to be exact in presenting the case I am going to quote from the Legion brief, which says:

> We have noted with some satisfaction the benefits which young people have derived from the above legislation in the last few years. We have also realized that the original act leaves out many children deserving of educational assistance. These groups, which we feel the provisions of the act should be extended to include, are:
>
> (1) Children entitled to receive pension because the father was in receipt of disability pension at the rate of 50 per cent or more at the time of death but whose death was not directly attributable to his service;

I know of a few cases that would be included if that amendment were provided. The Legion's request continued as follows:

> (2) Those children who are unable to pursue higher education as presently specified in the act and regulations but who take vocational and technical training to better fit them for employment.

I think there are more of those cases, but that does not necessarily mean any increase in expenditure. It does involve, however, a widening of the basis of the assistance, providing opportunities for boys and girls without academic qualifications but who want to learn trades and things of that sort; and if there is one thing we are short of in this country it is skilled tradesmen. Nearly every small community finds it difficult to secure people capable of doing electrical work, plumbing and carpentering and work of that nature. This provides an opportunity to correct that situation in the future by assisting those who would prefer to take technical and vocational rather than academic training. Because of the situation that exists at the present time the Canadian Legion recommends that the Children of War Dead (Education Assistance) Act be amended to correct it.

I want to mention two amendments the Legion thinks are required in respect of the Veterans Insurance Act. This legislation has been of great benefit to veterans throughout

the years. First of all they ask for an extension of the application date for veterans insurance. The brief has this to say:

> Unless a veteran of world war II still has re-establishment credit his opportunity to apply for veterans insurance was cut off on December 31, 1954, or 10 years after discharge, whichever was the later. Veterans of world war I were given 15 years, following cessation of hostilities, in which to avail themselves of similar protection.

I think that is a very reasonable request. I am one of those veterans who came back after the first world war concerned about re-establishing myself, regaining my health and things of that sort, and looking after a young brood of children. I did not realize for four or five years the advantages of this veterans insurance, but when I did realize it some years later I took out a policy because I was permitted to do so by the extension of the time limit. These veterans are growing older; they are accepting their responsibilities, and more and more they realize the advantages of this act. I do urge the minister to consider an amendment that would extend the date for application. The Legion brief bears out what I have to say in that connection, because it goes on to say:

> Many disabled veterans seeking to provide security for their families, denied them by ordinary insurance, have found that their right to apply for veterans insurance has lapsed. There is no valid reason why the same privileges which were extended to world war I veterans cannot be made available to world war II veterans. The fact that this exists for those with re-establishment credits indicates its administrative acceptability.

As I said before, veterans more and more recognize the benefits they can obtain by taking out policies under this act, and I do urge the minister to repeat the procedure which was followed after the first world war. It is on this account that the Legion recommends:

> That the government of Canada amend the Veterans Insurance Act to extend the date of application for world war II veterans to December 31, 1960. Comparable treatment should be accorded Korean veterans.

The Legion suggests a second amendment to the Veterans Insurance Act respecting disability pensions, section 10(1). It has this to say:

> Widows of disability pensioners are deprived of the full effect as beneficiaries under the Veterans Insurance Act because they may receive less than the full death benefit of the policy. Technically, the veteran is charged with knowledge of this provision, but there is grave doubt that all understand its practical application. This is a violation of the accepted concept of life insurance.

The Legion therefore recommends:

> That the government of Canada amend the Veterans Insurance Act to eliminate this section.

The minister will recall when we discussed this section of the Veterans Insurance Act. At that time he took exactly the same stand we and other opposition members in the committee did. We took the stand taken by the Canadian Legion at that time, that the act should be amended to eliminate this discrimination. I ask the minister to give that his consideration.

Mr. Brooks: I am still of the same opinion I had then.

Mr. Herridge: We are making these representations in this form because we know the minister is of the same opinion. We just want to back him up to the fullest extent.

I now want to say a word or two about the Veterans' Land Act administration, which has been very successful across this country. A good many veterans in my constituency settled under the provisions of this act, the greater number under the small holdings section of the act, but we also have a number settled on farms. I must say that in my conversations with veterans generally I find they much prefer to come under the jurisdiction, or the administration, of the Veterans' Land Act. It is for that reason that quite recently the national council of the Legion urged an amendment to bring part II of the Veterans' Land Act under the complete control of the Veterans' Land Act administration.

There is no question about it, the veteran does not like being transferred to the Central Mortgage and Housing Corporation. They tell me in good numbers that under the present circumstances their application under part II is made through the Veterans' Land Act administration and is serviced in that way. Then when it comes to later administration, collection, advice, suggestion, and all that sort of thing, they are transferred to the jurisdiction of the Central Mortgage and Housing Corporation. As a result of past experience, and because the departmental officials are sympathetic, they would very much prefer to remain under the Veterans' Land Act.

Mind you, when you read the figures in regard to collections under the Veterans' Land Act you find that the country does not suffer because of any deficiency in this respect. Because of the particular approach of the officials of this department and their knowledge of veterans problems, the veterans in Canada, generally speaking, would like under part II to come under the administration of the Veterans' Land Act. I would like to hear from the minister in this regard when he replies at the conclusion of this debate.

The Legion at a recent council meeting also asked for a reduction of the interest

rate to 3 per cent. In my opinion, and I think in the opinion of members of our group, the small holdings section of the Veterans' Land Act is one of the finest pieces of housing legislation we have in Canada, and we would like to see its principles extended to a much wider section of the population. We believe there is nothing better you can do to lay a sound foundation for good homes and well brought up families than by making provision for good housing.

I also want to make what I was going to say is my annual plea—it is now a perennial plea—for a reduction in the acreage required to qualify under the small holdings section of the Veterans' Land Act. Generally speaking it is ridiculous. If the land is valued at over $500 an acre, then it is 1.6 acres. I would admit that the officials of the Veterans' Land Act administration do everything possible to assist the veterans and make allowances for certain circumstances, and so on, within the terms of the law and the regulations.

As far as our district is concerned—and I know it applies to a good number of other districts in Canada—land for this purpose amounting to 1.6 acres, or three acres in larger areas, is not available because of the topography of the country. Right in my constituency there are still 200 veterans of whom I have knowledge who are being denied the opportunity to build under the small holdings section of the Veterans' Land Act, because they must get at least 1.6 acres which is valued at $500 an acre, or three acres if the land is of lesser value.

I do urge that consideration be given to reducing the acreage to the former half acre. In my district the majority of those men are working for the Consolidated Mining and Smelting Company, or are working in the mines, in the lumber mills or in the sawmills. I know from experience that if a veteran has a good home and half an acre of good land that is all he can look after. That half acre of good land is of great assistance in reducing the cost of living, particularly for the younger veteran raising a young family. I do urge consideration of a reduction in this acreage.

In conclusion I want to mention one other group which I think is being overlooked. I refer to the approximately 400 members of the Canadian overseas firefighter corps. We had this out in the veterans affairs committee years ago. The minister was very frank in expressing his opinion concerning these matters, along with a good number of others in this group. He was just as indignant as we were that they were not included in and given the benefits of the veterans charter legislation.

[Mr. Herridge.]

We all remember that when evidence was being given to the committee at the time on that particular point we were told, I think on very sound grounds, that these men were promised the benefits of the veterans charter and of the veterans legislation prior to leaving for Canada. At this time there are only approximately 400 of them in Canada. You will find them scattered all over the country. A few of them are serving in various fire brigades. I do urge that consideration be given to the very reasonable case that has been advanced for the consideration of these men under the legislation provided for veterans in this country.

Those are the particular pieces of unfinished business that I wanted to bring to the attention of the minister and the committee. I will have a few things to say about hospital administration, admissions and things of that sort, and there are also a few other matters I wish to raise, but I will bring those up under the appropriate items.

Finally may I say there is no question that throughout the years there has been a continual improvement in veterans legislation, and we must give great credit to the major veterans organizations, the Canadian Legion and the national council of veterans, for that improvement. Those organizations have constantly paid attention to the needs of veterans and the legislation required to meet those needs. They have brought them to the attention of members of parliament and the veterans affairs committee when they had the opportunity, and have informed us very fully from time to time.

We recognize that we have some of the finest veterans legislation in the world, but I trust the government will give favourable consideration to the suggestions for amendments to remedy certain deficiencies in our legislation which will be brought to the attention of the minister by various members in this debate. We have done so well up to now, and the cost of what we may have to do in the future is very small in relation to the total cost at the present time. We can achieve so much with so little. I am not going to go further into what we should do, because the hon. member for Selkirk will be our second speaker on item 1 and I am going to leave him to deal with that question.

Mr. Quelch: Mr. Chairman, at the outset of my remarks I want to assure the minister that he will at all times receive the sincere co-operation of the members of this group in his endeavours to improve veterans legislation. I think we are fortunate in having

very fine personnel in the Department of Veterans Affairs but, of course, they can only go as far as the legislation permits them. I also find that when I hear criticisms of the Department of Veterans Affairs they should in reality be criticisms of certain pieces of legislation they have to administer, and I am sure the minister will endeavour to bring down legislation from time to time to improve the operation of the department.

I think the minister has done very well so far. He has brought down amendments to the War Veterans' Allowance Act which have been a substantial improvement. We also have amendments to the Pension Act. I think those amendments should go considerably farther, and I will have something to say on that later.

On November 6 the minister stated that it was his intention to set up a veterans affairs committee at the next session of parliament with power to review all veterans legislation. That is a most pleasant departure from the past practice whereby the veterans affairs committee has been tied down to very narrow terms of reference. We have just been allowed to consider the specific piece of legislation referred to the committee.

I am hoping that when the minister decides to set up the committee on veterans affairs he will set it up as a standing committee. There has been a demand from veterans organizations and members of the house for a number of years that the veterans affairs committee be a standing committee. It would not involve any increase in cost to the government, and it does seem to me that is one of the recommendations of the veterans organizations the minister could very well carry out.

I want to turn now to the Pension Act. The hon. member for Kootenay West stated that we would have an opportunity to discuss the Pension Act when the bill was before us, but the bill has a number of specific amendments in it and as the matters I want to bring up are outside those amendments it would not, strictly speaking, be in order to bring them up when we are discussing the bill on pensions.

Let me make it clear that the criticism I have to make is not in any way a criticism of the pension commission; for, as I have already said, they are tied down by the legislation, and I think certain changes are necessary in order that a wider interpretation may be given in certain matters regarding pensions.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Quelch: Mr. Chairman, the sections of the Pension Act to which I wish to refer are sections 13 and 70. Section 70 used to be section 62. There has been a great deal of discussion concerning these two sections in former veterans affairs committees. The minister and his colleague the Minister of Public Works have been quite eloquent in their pleas to get amendment to these two sections.

Section 13 deals with disabilities of pre-enlistment origin. We in this group have always taken the stand that a veteran's condition as recorded on his medical sheet at the time of enlistment should be regarded as his true condition, and that no attempt should be made to refuse a pension on the ground that the disability arose from a condition recorded some time prior to enlistment. We might have a case where a veteran was in hospital five or six years before he enlisted, and he was discharged as being cured. Later, when that record is looked up, the stand is taken that the condition for which he is seeking a pension actually arose out of the condition he had at the time he was in hospital and for which he was discharged as being cured.

The Legion has taken a similar stand. I notice that in the brief they presented to the cabinet last fall they recommended that section 13 (1) (a) of the Pension Act be amended so that where a pension applicant who has served in an actual theatre of war is found to have a disability resulting from injury or disease not recorded on his medical examination prior to enlistment, such injury or disease shall be presumed to have incurred or had its inception subsequent to enlistment. All I am going to say is that I hope the minister will give very careful consideration to that section, to see whether or not it might be possible to get a little closer to that principle.

I have often heard people criticize the pension commission for the decisions that they bring down in relation to that section. I would say that in the vast majority of cases it was not the pension commission that were to blame but it was the wording of the section. I do not believe we can hope to have any improvement in that matter unless we have an amendment to section 13 along the lines suggested by the Canadian Legion.

The other section, section 70, is I think far more important. You may say that it is the veteran's last resort in so far as getting a pension is concerned. There has been a lot of discussion about this section in the

veterans committee. I recall that in 1948, I think it was, the late member for Lanark, Dr. Blair, moved an amendment in order to try to get a wider interpretation of the benefit of doubt. His amendment was to strike out the words "is entitled to draw"—perhaps I had better read section 70:

Notwithstanding anything in this act, on any application for pension the applicant is entitled to the benefit of the doubt, which means that it is not necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim—

Here, I should like to interject that the words used to be "is entitled to draw". Those are the words which the hon. member moved to strike out in committee.

—shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences and presumptions in favour of the applicant.

The hon. member moved that the words as I say, "is entitled to draw", be struck out. I was very sceptical as to whether or not that would make any difference because the words "shall draw" were in the act before and I could not see how the words "is entitled to draw" could affect the words "shall draw". However, the committee felt that it might be an improvement so the committee voted to strike out the words. The minister expressed approval of that amendment. I still claim section 70 is not wide enough. I am not quarrelling with the interpretation of the pension commission. I claim you will never get satisfaction from section 70 until the pension commission are given wider discretionary powers. The trouble is the pension commission have not the discretionary powers necessary to give a soldier a fair deal.

I am going to cite one case. I do not like citing cases, but in view of the fact this case has received a great deal of publicity through the *Veterans' Advocate* of November issue, I think it is well to read it. The minister can then say whether or not the explanation in the *Veterans' Advocate* is fair. Let me read it:

Another matter which needs urgent attention is a confirmation of the obligation to give the veteran always the benefit of the element of doubt. Especially in the case of death by cancer. As we write we have before us the history of a Winnipeg veteran whose widow and children have recently been denied a pension. This man suffered gunshot wounds in his back during world war II. He was discharged with a 30 per cent disability. As the years passed his back began to bother him. After many medical examinations it was finally discovered that a soft-nosed bullet still was embedded near his spine. This was finally removed in 1949. His condition continued to deteriorate until he died in 1956 from cancer, which the autopsy report stated was very widespread. There was no positive proof that this disease was caused by gunshot wounds, but there also is no positive proof that it was not. There definitely was proof of negligence inasmuch as the bullet in question was not discovered for several years. We realize that should this widow be granted a pension it might pave the way for many other claims. However, we contend that the element of doubt is there and that a pension should be awarded and that the act should be changed to strengthen claims where such doubt is present.

[Mr. Quelch.]

As I say, I do not know whether or not that is a fair description of the case, but if that is a true description then I believe the majority of the members of the house would agree that the widow should receive a pension. It may be that the doctors were of the definite opinion that that man died from cancer, and that his condition had not been affected by the bullet being embedded in the back near the spine for six years, but as I understand it the medical profession is not too certain as to the actual cause of cancer. Is the medical profession in a position to say that the fact the bullet had been embedded in the back for six years could not have had some effect upon that veteran's condition? I doubt it.

But even so, and granting that the medical doctors of the commission were justified in ruling that there was no doubt in this case that the man had died from cancer and the fact he had had a bullet in his back had nothing to do with that cancer, nevertheless I say in the light of all the facts of this case as disclosed in this article, the widow should receive a pension because for six years that man had a bullet in his back and his condition was deteriorating. Surely, the very least we could do as a form of compensation would be to award the widow a pension today. I say, therefore, what we need today is an amendment to section 70 to give the pension commission wider discretion. I am sure if the commission had it in their power to give the widow a pension, they would do so but they feel, under the terms of the section they are not able to do so. I say let us amend section 70 in such a way as to give the pension commission a greater discretion in such matters.

I now want to turn to the Veterans' Land Act. I have been somewhat concerned over the number of veterans who have been settled under the act and who are leaving the land. These veterans are not by any means misfits. They are not men who have failed. I would say that in the majority of cases the veterans who are leaving the land are men who are highly efficient and ambitious but who are not prepared to see their families continue to be obliged to live under the present low standard of living when they know very well that if they leave the farms and go into the cities they can greatly improve their condition.

I have followed a number of these cases through where men who were having a hard struggle on the farms left the farms and went into the city. I find that in the majority of cases those men have done extremely well. In my opinion a person is making a big mistake when he thinks that when a veteran or any other man leaves the farm today it is because he is inefficient or a misfit. That is not the reason. The reason is that they are ambitious, especially for their families. The other day somebody told me, "A man must have a love for the soil to carry on on the farm". I say that a man must have a greater love. His first love should be for his family. If that man knows that by continuing on the farm he is not going to be able to give his family the standard of living they deserve, his love for the soil will have to take second place to his love for his family.

I therefore think the officials of the Veterans' Land Act should do everything they can to help veterans to make the necessary financial arrangements to pay off their land and to leave the farm if they so desire because I do not believe you can ever hope for a soldier settler to be successful on the land once he desires to leave it, once he is no longer satisfied, or once his family is no longer satisfied.

I am suggesting that the officials should not try to stop him from leaving. We have now reached the stage where many veterans are now able to get clear title to their equipment and their livestock and many of them are able to make some financial arrangements whereby the amount remaining owing on the farm can be paid off. In some cases they assign their pension. In other cases they will assign the amount they receive from the farm to the Veterans' Land Act administration. Where satisfactory arrangements of that kind can be made, where a settler is desirous to leave the farm I think it would be a great mistake for the officials to try to put anything in the way of his leaving the farm.

After all, it must be remembered that most of the veterans who settled under the Veterans' Land Act had limited capital. In many cases their operations today are not large enough to give them the type of standard of living which they would be able to obtain if they went into another walk of life. Mind you, I am not criticizing the Veterans' Land Act. I think it is a good act. Unfortunately the situation that exists is that agriculture today is a distressed industry. Whether a man be a returned man or a civilian, if he is on the farm today in the majority of cases he is having a struggle to keep his head above water and at the same time maintain a standard of living that he deserves.

I want to say a few words with regard to the soldiers who settled under the old soldiers settlement act. It will be remembered that for a number of years the late member for Battle River, Mr. Robert Fair, used to introduce a motion to give clear title to veterans who had settled under the old soldiers settlement board. He received a very sympathetic hearing from the members of this house but no action was taken to give them a clear title, although I think we must agree that the government was quite considerate in cutting down the amount owing by those veterans. After all, the purpose of the soldiers settlement act was to try to re-establish these veterans within a period of 25 years. We find that 50 per cent of those veterans failed to become established. Today, 38 years after the veterans were settled under that act, we find there are still 39 veterans accounts unsettled, with an average debt of $616. I suggest to the minister that we could very well, at this late date, wipe out those accounts entirely. These veterans are getting old. They have not many years to live. They would like to have a clear title to their land. I think the least we could do now is to say to them, "We realize that you have had a struggle; you have stayed on the land and we are going to wipe out what you owe".

The other matter to which I should like to refer is the merchant seamen. As I understand it, today the only merchant seamen who can come under the Veterans' Land Act are those merchant seamen who are in receipt of a pension. I want to refresh the minister's memory with regard to the attitude taken by the veterans' affairs committee in the past during the war in connection with the merchant seamen. I have here a copy of the minutes of proceedings and evidence of the special committee on land settlement of veterans of the present war for the sitting on June 23, 1942. We had Mr. Arthur Randles, director of merchant seamen, Department of Transport, before us. This is what he said:

> —it is recommended that Canadian merchant seamen be permitted to participate under the land settlement arrangements, provided that their record shows they have served for an appreciable period in dangerous waters or zones during the present hostilities, and I would suggest that a period of three months' service might be taken as a guide to determine their eligibility to participate. This is in line with the general requirements for the issuance of a merchant navy badge. In any case, under circumstances where a Canadian merchant navy badge is not issued, evidence of service in hazardous zones can be provided by the seamen's discharge documents.

I just want to quote what the minister of veterans affairs at that time had to say with regard to this question. Hon. Ian Mackenzie stated as follows:

My own opinion is that the men of the merchant navy are entitled to any and all of the privileges which anybody else serving in this war overseas or elsewhere gets. As I see it, they are twice as much in the line of fire.

The committee discussed that matter at some length. Later the minister said he thought it would be a mistake to allow the merchant seamen immediately after the war to be eligible to settle under the Veterans' Land Act because he said these men are needed on the sea. But he said at a later date that we might be able to change our decision in that regard. I would ask you to mark well the report that was made with regard to that matter and dated July 7, 1942:

That at a later date this act—

That is the Veterans' Land Act.

—be so amended as to make provision for persons having had service on ships, who are not in receipt of a disability pension.

I do not think anybody can argue today that we should not allow merchant seamen to come under the Veterans' Land Act for the reason that they are needed on the sea. Today we seem to have a number of surplus seamen, especially when we transfer Canadian ships to foreign registry. I think the minister might give that matter consideration and see whether or not it would be possible to make merchant seamen who had service in a danger zone eligible to come under the Veterans' Land Act. I am not suggesting that they should come in as full time farmers, but it would be of tremendous help to these men if they could take advantage of the small holding section of the act and perhaps have a small holding alongside the sea coast and possibly continue with a certain amount of fishing.

I see that my time is nearly up. I hope the minister will also give that matter his careful consideration so that at the next session when the veterans affairs committee meets he may be in a position to recommend some action be taken in that regard.

The only other matter to which I want to refer now—and it is one that I do not think I could raise on any other section—is the question of the aged veteran. I want to commend the Department of Veterans Affairs for their sympathetic attitude toward the aged veteran. I have received from veterans a number of applications or requests to try to find jobs for them. They have said, "We do not want to have to apply for the war veterans allowance; we would like to get some work. Could you get us a job perhaps with some department?" I have taken the matter up with the Department of Veterans Affairs. They have sent a counsellor over to interview the man and in the majority of cases they have found ways and means by which that man could be employed. In some cases they have recommended that he make application to the corps of commissionaires. I think it is called the Canadian corps of commissionaires.

In that way they have been able to get employment. There is one thing I would like to ask the minister to explain. I have looked at the report of the Department of Veterans Affairs and there is a reference to this corps; it states it does not receive any subsidy from the government. I wonder if the minister would explain how this corps is financed; how many offices it has across the dominion, and what connection, if any, there is between the Canadian corps of commissionaires and the Department of Veterans Affairs.

Mr. MacRae: In rising to speak for the first time in this house, Mr. Chairman, I would first like to pay a tribute to the hon. minister who heads the department and whose estimates we are now considering. The hon. minister is spokesman for the province in which we are now living, but he is also a veteran of distinguished service to his country, firstly as an officer in the New Brunswick fighting 26th battalion during world war I; secondly, he has rendered continuous service between the wars in the militia of this country; thirdly, he served throughout the whole of world war II, and now lastly on account of his record as a member of parliament for 22 years. During this period he has been almost continuously a member of the veterans affairs committee. His record is there and it speaks for itself.

It has been said that the Canadian veterans legislation is the best in the world. I think we all agree with that, Mr. Chairman, and it is a tribute to all of those who have served in the previous parliaments of this country.

Some hon. Members: Hear, hear.

Mr. MacRae: In my opinion it is also a great tribute to those who have served in another organization the name of which I have heard mentioned very often in our deliberations on the War Veterans' Allowance Act. The name of the organization to which I refer, of course, is the Canadian Legion which, for the past 30 years, has played such a vital part in guiding, advising and helping the government in its decisions with respect to veterans legislation. Like many who returned from this last war—and for that matter from the first world war—and being

grateful that I had been spared to come home to my family, I determined that I would try to help those with whom I had served and their dependents. In the Canadian Legion I found the vehicle through which I could work. That organization has given outstanding help to the veterans and in the past score of years the leadership which it has attracted on its top level has been invaluable; I refer to such men as Alex Walker, Basil Price, Lionel Baxter, Alf Watts and Dr. Lumsden. Alex Walker, indeed, spent the full five years of the war here in Ottawa so that he could be near to the government and assist them in their decisions concerning war veterans' welfare. Dr. John Anderson is another man whose name I should mention and now David Burgess. All these men have given service of the highest calibre. The Legion is a big organization of more than a quarter of a million men and women. It is unfortunate that all the veterans of this country do not belong to the organization in order to give it even greater strength but we must not, of course, minimize the fact that there are other veterans' organizations. However, the Canadian Legion is the spokesman and has been the spokesman for the veterans.

In my own work as provincial president for that organization and also as a member of the dominion council I had the opportunity on two occasions to appear before members of the previous government, the government which was headed by the right hon. gentleman who is now the Leader of the Opposition. I would like to say that when we appeared with our briefs no group could have been received more kindly or more courteously. The representations of any group could not have been listened to with more attention than the representations made by the Legion on behalf of the veterans. I just wanted to pay that tribute to the right hon. gentleman and to his former colleagues.

That the work of the Department of Veterans Affairs was of considerable standing and would be projected far into the future was brought home to me very forcibly not very long ago when I read that recently the last pension attributable to the war of 1812 had just been paid in the United States. It seems rather amazing that it would last that long, that there would still be someone who was pensionable from that war. It therefore is likely that the task of the Department of Veterans Affairs will go beyond the time of any of us here today, even taking into account the hope, which I am sure is shared by all of us, that we will never have another war.

I recently had an opportunity to converse with the senior officials of the Department of Veterans Affairs, along with other members of the department, many of whom are here today with the minister. I was amazed at the scope of the work they are now doing. When we realize there are 190,000 active pension cases coming under the Canadian pension commission, that the war veterans allowance department has over 57,000 active cases; that the Veterans' Land Act deals with over 58,000 cases and that there are over 10,000 men and women in our hospitals under active treatment, we realize the tremendous scope of the work of this department.

I do not wish to take too long because I realize this house wishes to get on with the estimates and not to be held up, but I would like to speak about two or three things in connection with veterans legislation. To my mind, one of the finest acts that was ever passed in this house was that passed in 1953, namely the Children of War Dead (Education Assistance) Act. I say this because that act provided for the children of those men who had given their lives in world war II or who had since died from their wounds. There is, however, one regrettable feature in this respect, in that it took eight years from the end of the war before the act was passed and undoubtedly many youngsters during that period did not have the benefit of this legislation. I particularly recall a case in the city in which I live, the city of Fredericton, where a man who had served as a sergeant in world war I and in world war II was back in the forces because he was determined to be there. He served as a major in the regiment in which I also served and gave his life on D-day on the shores of France. He should not have been there, of course, and they did everything to keep him from going, but he was determined to lead his company on the shores that day and he was killed.

Now this man left two children and by 1953 the children had already received their education with the help of their widowed mother and also with some help from the Legion, from scholarships and bursaries. As I say, it is regrettable that we cannot undo the past; it is regrettable the act was not implemented at the end of the war.

I would like to speak for a moment about the benevolent funds. The story of the canteen fund of the first world war is not a happy one and perhaps through mismanagement or lack of wisdom the fund was rapidly depleted in many provinces. Those who emerged safely from the last war when the funds of the canteens and messes were frozen had the benefit of that experience and the benevolent funds of the army, navy and air force were set up. It seems to me they have been most wisely administered. I can speak from personal experience especially about the army benevolent fund.

I can well remember at the dominion conference of the Legion in 1946 sitting on a committee that considered very seriously how this fund would be administered. The present deputy minister if I remember correctly was a member of that committee. Over the years the fund which at that time, if I am not mistaken, was something like $7 million has been most wisely administered and has served an extremely useful purpose.

The hon. member who spoke just before I rose referred to the corps of commissionaires and addressed several questions to the minister. I would not attempt to speak for the minister but since I wanted to discuss this question too my remarks may be of assistance with respect to one or two of the problems raised because I have been deeply interested in the corps of commissionaires.

The corps of commissionaires is administered by a board of governors, in the case of our own province a board consisting of 40 men who serve without remuneration of any kind and are the guiding body for the corps. In the case of our province perhaps the most distinguished member is the lieutenant governor of New Brunswick, himself a war amputee as a result of service in the first world war and a man keenly interested in the welfare of his comrades and their dependents. The corps is non-political, non-partisan and non-profitmaking. It has no connection in that manner with any other organization. The governors arrange employment for the members of the corps. They are suitably uniformed and it seems to me that only the highest calibre of man is attracted to this corps.

I know of a very fine man in my own community who served initially in the Boer war and then in world war I and finally in world war II. The amazing thing is that he was granted his commission in world war II. I do not know just how old he is but it does not matter because he is still a young looking and active gentleman. I believe there is no finer example of a serving commissionaire.

Perhaps I neglected to say that five cents per hour is deducted from the fee which industry pays to the board of governors for the services of the men in the corps and that money is used for administration purposes, uniforms and certain other things. This splendid oragnization provides those men who do not wish to accept charity an opportunity of working and earning a decent living. The government of this country spends many millions of dollars annually in the interests of the Canadian people but I submit there is no group in this great country that is more worthy of consideration than those who served and the dependents of those who served when Canada was engaged in the terrible conflicts of this century.

It is and has always been a source of great satisfaction to me to be able to express words of commendation to the Department of Veterans Affairs and as a veteran I can say to this department—and as Canadians we all can say this—"Well done, good and faithful servants."

Mr. Carter: Mr. Chairman, I should like to take this opportunity of expressing my general support of the recommendations contained in the brief recently submitted to the government of Canada by the dominion command of the Canadian Legion. I should like in particular to express my unqualified support of their recommendation with respect to Newfoundland veterans which reads as follows:

> The Canadian Legion therefore recommends 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.

I was very pleased to find that the brief dealt with the special problem of Newfoundland veterans at some length as found at pages 10, 11 and 12 of their submission. I do not intend to repeat the arguments to be found here which are almost indentical with the statements I made in the house as reported at page 914 of *Hansard* of November 8. However, I believe it would be useful and convenient, not only to hon. members of this committee but to those of the public who read *Hansard* if I were to place on the record the relevant sections of the legislation referred to in the Legion brief. The relevant section of the Canadian Pension Act is section 13, subsections 5, 6 and 7 which read as follows:

> Section 13—
>
> (5) For the purposes of sections 50, 51 and 52, domicile in Newfoundland shall be deemed to be domicile in Canada.
>
> (6) A member of the naval or military forces of Newfoundland in world war I or world war II shall be deemed to be a member of the forces for the purposes of this section.
>
> (7) A British subject resident and domiciled in Newfoundland at the time of enlistment who served in the naval, army or air forces of His Majesty or in any of the naval, army or air forces of any of the countries allied with His Majesty during world war II shall be deemed to be a member of the forces for the purposes of this section, if the disability in respect of which the application is made is not pensionable by virtue of subsection (5) or (6).

The Canadian pension commission has interpreted these sections to mean that Newfoundland veterans are no different from Canadians who left Canada to enlist in the

Imperial services and therefore they cannot be treated as if they had served in Her Majesty's Canadian forces as stated in the opening paragraph of the terms of union on which it was intended the status of Newfoundland veterans under confederation would be based.

Hon. members will recall that the opening section in the terms of union relating to veterans stated that Newfoundland veterans would be treated on the same basis as if they had served in the Canadian forces. In contrast, when we examine other legislation we find that this interpretation is expressly written into the act. For example the relevant section of the War Veterans' Allowance Act is section 30, subsection 11 (a) which reads as follows:

—for the purposes of this act,

(a) the expression "Canadian forces" includes any forces raised in Newfoundland and "domicile in Canada" and "residence in Canada" include respectively domicile and residence in Newfoundland, whether before or after the union of Newfoundland with Canada.

The Veterans Rehabilitation Act is even more explicit. The relative section of this act is section 6 (1) which reads as follows:

For the purposes of sections 7, 8, 9 and 11, a Newfoundland veteran who has been discharged shall be deemed to be a veteran as defined in section 2.

Section 2 reads as follows:

In this section the expression "Newfoundland veteran" means a person who served on active service.

(a) in any of the naval or army forces of Newfoundland or having been recruited in Newfoundland in any of the naval, army or air forces raised in Newfoundland by or on behalf of the United Kingdom; or

(b) in any other naval, army or air forces of His Majesty and at the time of his enlistment therein was domiciled in Newfoundland; or

(c) In any of the naval, army or air forces of the nations allied with His Majesty in active operations against the enemy in world war II, if he was domiciled in Newfoundland at the time of his enlistment therein and was domiciled and resident in Newfoundland within two years from the date of his discharge therefrom or the 8th day of May, 1945, whichever is the later.

It will be seen that the status of the Newfoundland veteran is very clear in the definitions set forth in the Veterans Rehabilitation Act and in the War Veterans' Allowance Act, but when it comes to the Canadian Pension Act there is some ambiguity. I should like to join with the hon. member for Acadia in urging that either the Canadian pensions commission be given greater discretionary powers or that the relative sections be amended to clarify the Pension Act to bring it into line with the other two acts and in line also with the intentions of the legislators, as set forth in the terms of union.

At this time I should also like to support the recommendations of the Canadian Legion with respect to the merchant navy. I have already referred to this group, as can be found in *Hansard* of November 6 at page 823. Hon. members will have received a further brief from the Canadian merchant navy veterans association, and I should like to join with the other members who have supported the requests contained in this brief.

The basis on which a war veterans allowance is paid is the theory that a veteran who served in His Majesty's forces is burnt out by reason of his services in comparison with those who did not serve. I am sure that this theory can be with equal validity applied to the merchant navy as to any other of the three services. These people suffered severe casualties, as I pointed out before. In some settlements in my district the casualties in the merchant navy, the numbers actually killed, were far in excess of those of any of the other services, and in some instances even in excess of the three services together. These merchant navy veterans underwent all the hazards of war, including gunfire, aerial bombing and torpedoing and, as a result of their misfortunes they often had to suffer the hardships of being left in the sea for hours on end, floating around in cold water, in shark-infested waters, or drifting for days in the ocean in very small boats.

I am sure everyone will agree that hardships of this kind must tend to shorten a man's life and make him age much more rapidly than would normally be the case. I strongly recommend that the minister consider the claims set forth in the brief of the Canadian merchant navy veterans association that the burnt-out pension be extended to veterans of the merchant navy.

I agree with the hon. member for Acadia that there is no good reason now why the merchant navy veterans should not have some of the benefits of the Veterans' Land Act and also civil service preference. I strongly recommend this to the Minister of Veterans Affairs. I know that he cannot do a great deal at this moment, but very soon he will be considering his departmental estimates for the coming year, and I do hope he will be able to bring down at the next session the necessary changes in veterans welfare legislation to implement the recommendations of this brief and that he will find it possible to include the necessary provisions in his subsequent estimates.

Mr. Bryce: My colleague, the hon. member for Kootenay West, dealt with a great many of the problems the veteran has today and I am not going to touch on these. It seems to me that when we begin to talk about veterans affairs the chips drop off everybody's

shoulders and everybody is ready to agree with the other fellow because it is something that is really needed.

The hon. member for Kootenay West dealt with some of the amendments to the War Veterans Allowance Act. The first one was to benefit certain married women. The second one had to do with residence outside Canada. The third one dealt with certain dependent mothers, and then there was the increase in the ceiling up to $1,200 for single veterans and $2,000 for married veterans. Then, there was the inclusion of the veterans of the merchant navy. He talked about educational assistance, amendments to the Veterans Insurance Act and to the Veterans' Land Act, improved hospital treatment regulations and many minor adjustments. Therefore, I would be taking up a lot of the time unnecessarily if I repeated these things, because I believe in the thoughts that he expressed when he was speaking on this matter.

There is one thing that I do want to ask the minister about and that is this. When a veteran becomes mentally ill and is taken to a hospital and remains there for some considerable time does he get his pension while he is there, or what part of it does he get? Should the veteran get better, does he get what is coming to him when he leaves the hospital? If he dies, does the remainder that is left at the hospital revert to the crown?

I should like answers to these questions because I want to relay the answers to other veterans in Manitoba. I support the hon. member for Acadia in bringing up the soldier settlement problem. I think he said there are only 39 left now. We who farmed through the bad years must realize the hell they went through trying to keep body and soul together. I have a lot of these farms in my constituency and it must have been known from the time these men went on the land that it would never be possible for them to make good. They have not got clear titles yet, and if there are only 39 left I appeal most sincerely to the minister to give them a clear title because they deserve it.

There is another matter that has been brought up repeatedly in past years. I refer to the firefighters. I know that the minister is familiar with the matter because he has been here longer than I have. I feel quite sure he knows the story, that General Lafleche said they would be taken care of, but very little has been done for them. I think that they should get some consideration. I have a letter here from the president of the firefighters association in which he says:

> Our overseas firefighters in Winnipeg number 25 and we are in constant touch with members in the other provinces and no doubt you may hear from their respective members of parliament in our favour . . .

[Mr. Bryce.]

That is the other matter I wanted to bring up and I ask the minister to give it some reconsideration. I have also had some correspondence with the minister about some people who wrote me concerning Deer Lodge hospital. The gentleman I spoke to last about it wanted to know if the government was getting so hard up that it had to collect $500 a ward to establish wards. The minister was good enough to take up the matter. However, we have never got to the bottom of it and I should like to get to the bottom of it. Moneys are voted here in parliament for Deer Lodge hospital and why the hospital should need to ask organizations for donations merely so that the organization can have its name given to the ward I do not know. The minister can tell me about that when he is answering all the questions.

The Department of Veterans Affairs is one of the largest departments of the government and is asking for a budget of approximately $250 million this year. I brought in a resolution last year seeking the establishment of a permanent committee on veterans affairs. It was only before the house for one day and 19 members spoke in the debate, 20 including myself. Only two were against the resolution. Everybody else was in favour of it. I think such a committee is just as much needed this year as it was last year.

The argument has always been put up that a special committee of the house can be set up any time it is needed. I have now sat in the house under four ministers of veterans affairs, the late Hon. Ian Mackenzie, the Hon. Milton Gregg, the Hon. Hugues Lapointe and now the present minister. These hon. gentlemen could be classed as professional soldiers who knew as much as any other veteran knew.

Veterans affairs are going to continue to be with us, but the type of man who will head the department will change over the years and that is the reason I am so anxious to see a permanent committee on veterans affairs set up. Some day in the near future the head of the department will be a civil servant but not necessarily a veteran. A minister who has never seen active service can never be expected to understand the problems of the veteran in the same way as one who has had that experience.

May I say here, to make sure that I am understood, that I have nothing whatever against the people holding the various jobs in the department today. Over the years I have been here I have got to know them personally. They have become intimate friends of mine and I have repeatedly gone to them for advice in cases that have been brought to my attention. But the men who are

there today are going to come to the end of the road soon and we are not going to have veterans in these positions. The sooner we get it in black and white that we will have a committee every year the better it will be for everybody.

Our veterans, including those of world war I and world war II, constitute a significant proportion of the total Canadian population. We have only to remind ourselves that 66,651 lost their lives in the first world war and 44,891 in the second world war. Furthermore, such a committee would facilitate the presentation of veterans problems by the Canadian Legion and other recognized organizations in Canada. Often in the past there have been times when there has been no committee on veterans affairs with the result that important problems affecting veterans and their families did not receive the proper airing to which they were entitled.

The Department of Veterans Affairs acts in an administrative capacity in dealing with veterans problems. Competent as the department may be in this role, the fact is that our veterans require additional attention which is beyond the scope of the administrators in the department. If a permanent committee were established and if it sat every session it was required parliament would be in a much better position to determine when changes in veterans legislation were required.

I feel sure that a veterans affairs committee dealing with these matters from year to year would be able to see that the legislation passed for the benefit of veterans was maintained and used for the benefit of veterans. Only by having a permanent veterans affairs committee of the house, which can keep close to the needs of the veteran, are we going to get the kind of administration the veterans should have.

I am pleased to learn from the minister that he is going to set up a permanent veterans affairs committee at the next session of parliament. I want to congratulate the minister on making this decision. I may say to the minister that my resolution is on the order paper and when it comes up for discussion I will let it stand and drop it to the bottom of the list. The minister will make many veterans happy across this broad dominion. The Legion asked for a permanent veterans affairs committee and I have their request here. When the Minister of Public Works spoke last spring he quoted the resolution passed by the Legion at their convention in Vancouver in June, 1956. As found at page 951 of *Hansard* for Feburary 4, 1957, it is in these words:

Whereas the government has not seen fit to appoint a committee on veterans affairs during the present session of parliament;

Whereas problems are continually arising concerning the Pension Act, War Veterans' Allowance Act, et cetera;

Be it resolved that this convention make representations for the appointment of a permanent standing committee on veterans affairs to which all such problems would be referred.

I am sure that everyone is going to congratulate the minister for making such a bold move. I know that when he was on this side of the house he gave full support to such legislation as we tried to get passed. It has been an uphill fight to try to get that but I do not for one minute think the minister will go back on me now. He told me he would do this, and I am withdrawing my resolution knowing full well that the minister will keep his word.

Mr. Hahn: I should like to be associated with those who spoke so kindly of the work of the department and with respect to the operations of the department itself. Certainly the spirit of co-operation we have had has been excellent. I may say that the Legion members in my area are very appreciative of it. I think the veterans are extremely fortunate to have a minister sympathetic to their cause. Those of us who have been on the special committee on veterans affairs and in the house in former years recall so well how frequently he spoke on behalf of the veterans. I am satisfied that if it is at all possible to have certain legislation introduced that would assist the veterans even more, he will do his level best to attain that end.

I speak at this time to give my measure of support to any legislation the minister may propose so that any influence we might have may result in such legislation finally being brought about. The hon. member for Selkirk just mentioned the resolution he had calling for a standing committee on veterans affairs. I hope the minister will be able to carry out his desire and introduce legislation next year to bring about such a committee. Last year when the hon. member for Selkirk introduced his resolution I was one who spoke in favour of it. I certainly have not changed my mind in the meantime. I was very pleased the other day when the minister, in speaking on veterans affairs, indicated that he, too, was going along with the idea.

There are two particular matters about which I want to speak today. One of these matters was touched upon only slightly when we had the bill on war veterans' allowance before us. I refer to the submission in the Canadian Legion brief respecting merchant seamen. At that time I indicated to the house that I could not recall the merchant seamen being represented before the committee, but apparently on June 7 and 8, 1954 a representative of these seamen was before

the committee. He drew their problem to our attention. The hon. member for Burin-Burgeo has spoken on this question on more than one occasion, and I would certainly concur with him and with the hon. member for Acadia and others who have spoken on behalf of the merchant seamen. I feel that their case is deserving of every consideration.

I find I am not alone in my thinking. The hon. member for Burin-Burgeo had a brief from these merchant seamen and I do not know whether or not he has the same information I have but certainly some of us received a copy of the brief. I do have a facsimile of a letter signed by J. G. Diefenbaker. This letter was written on March 2, 1948 and it is addressed to A. J. Heide, secretary-treasurer, Canadian Merchant Nav Veterans' Association, Montreal. It reads:

Dear Mr. Heide,

I thank you and your association for your letter of February 24th.

I will bring the case of you veterans to the attention of the house when the veterans committee is set up.

Those that won the "Battle of the Atlantic" deserve to receive the same treatment as other veterans of our country.

Again thanking you for your letter, I am,

Yours sincerely,
J. G. Diefenbaker.

I realize that the Prime Minister was then a private member of the house, but I feel sure he has not changed his sentiments, at least, I hope he has not. If he felt the merchant seamen were deserving at that time of being included in and given the same rights and status as veterans, then I think their case is just as commendable today and possibly even more so when we see so many of these merchant seamen in the difficulties in which they are today. I find, sir, that this question of assistance for merchant seamen is not a thought that was just brought hastily to the attention of this house at this time, nor is it something about which former governments were not made aware. I have information that the Hon. Brooke Claxton, who was minister of national defence in 1951, received representations from this same association asking for inclusion of merchant seamen in the veterans' legislation. Later Hugues Lapointe, who is not with us now, received such a request. In fact, he gave some recognition to it by introducing the Children of War Dead (Education Assistance) Act, under which the children of merchant seamen were eligible for assistance. Then, the hon. member for St. Antoine-Westmount, who was minister of transport at the time, came to Vancouver last year and was met by representatives of the seamen's union. They approached him with the same plea. It seems that cabinet ministers were quite approachable, but they never saw fit to introduce the legislation to which all of us were sympathetic.

I believe Canadians as a whole feel quite badly about the fact that some men who suffered just as grave hardships as anyone else during the war years, and who should be entitled to assistance under the War Veterans' Allowance Act and other veterans' legislation, are denied that opportunity now. I am satisfied quite a number of families and young men gave up their lives in the struggle for the Atlantic. They are memorials to the fact that these people certainly did undergo every hardship that one could picture. For that reason, I would plead with the minister to give them the consideration they warrant.

As recently as June of this year the plight of the merchant seamen was drawn to the attention of the Prime Minister when he was in London. I have here a facsimile of a letter in which he replied to their request for some consideration.

While it was not so straightforward in its reply as was the former one, certainly it would give one hopes that the door was not shut and that the present minister would see fit to do something about it. I recognize that the Minister of Veterans Affairs is sympathetic to their cause. As I said earlier, I mention the matter with the hope that he will draw to the attention of his colleagues in the cabinet the need for the inclusion of these merchant seamen. The fact that so many members of the house support this plea might make it a little bit easier for him to get the inclusion of these merchant seamen past the treasury board so that something could be done to assist them.

The other question that I have in mind is one which I consider is a serious one. In fact, it arises out of a letter to a news editor which appeared in the *Western Producer* of April 4, 1957. It is signed by Kenneth Winter, Merid, Saskatchewan. The charges in this case, to my mind, are very serious and I believe that they should be given further consideration, possibly with a view to discussing the matter with the officials of the Saskatchewan government in order to see whether something could not be done to assist these people or to prevent what this war veteran charges is actually taking place. I am not going to read the full letter because some of it is not too complimentary to the present C.C.F. government in Saskatchewan. The pertinent part of it reads as follows:

However, in Saskatchewan where they are in control,—

That is the C.C.F.

—their attitude in dealing with their own farmers is slightly different. Saskatchewan crown land

is leased to veterans on long term leases, also to non-veterans. The federal government through the V.L.A. extends assistance to veterans to purchase machinery to break and work this land. The veteran pays a smaller than usual share of crop as rental directly to the Saskatchewan government. Also, contrary to the usual procedure where the landlord pays the taxes, the veteran is responsible for taxes. Thus the taxes are actually part of the rental. If the farmer has a total crop failure, naturally that part of the rental which is crop share would be nothing, but the taxes still are required to be paid.

Thus the veteran really has a cash rental in the form of taxes to pay even if he doesn't harvest a bushel. Last fall, every holder of a veteran's lease on crown land received a letter from the Saskatchewan government (the landlord), stating emphatically that if any rural municipality reported taxes unpaid on a veteran's lease, the government would automatically cancel that lease. This is the most vicious system of merciless collection in existence. I do not believe any other landlord but the C.C.F. government could get away with it—a cash payment on the barrel head every year, crop or no crop. After years of picking rock and clearing and breaking land, a crop failure or delivery restrictions could cause a veteran to fall behind on his taxes—then, wham, the landlord (the C.C.F. government) cancels his lease and unless the unfortunate veteran could get more land to farm, no doubt he would lose his machinery to the V.L.A.

It is much easier for a veteran to lose his lease than for an established farmer to lose his land through the tax enforcement act, by which a tax lien must first be filed. This winter all holders of grazing leases on crown land who owed all or part of the 1956 rental, received a letter stating that as their rental was six weeks overdue, their leases would be cancelled unless the department heard from the renter within 30 days.

It carries on further but that is all it has to say with respect to the veteran and this particular problem. I would urge the minister and the department officials—

Mr. McCullough: I wonder if I might ask the hon. member from what document he is reading?

Mr. Hahn: As I said earlier, I am reading from a copy of a letter which was reproduced in the *Western Producer* open forum, Regina and Ottawa. It is a letter signed by Kenneth Winter, Merid, Saskatchewan and apparently dated April 4, 1957.

I recognize that the municipality must get its taxes as must any government. I am not suggesting for one moment that the Saskatchewan government should necessarily pay the taxes to a municipality for a veteran who is not in a position to do so. There is a definite problem there. But I feel that it is up to our Department of Veterans Affairs which has authority in this matter to discuss it with the officials of the Saskatchewan government in order to see whether we cannot work out a scheme whereby this matter could be settled more amicably.

Mr. MacDonald (Antigonish-Guysborough): Mr. Chairman, this is going to be a wee speech. May I join with other hon. members in extending congratulations to the Minister of Veterans Affairs on the excellent manner in which he and his officers are administering the Department of Veterans Affairs.

Mr. McIvor: Might I ask the hon. member a question?

Mr. MacDonald (Antigonish-Guysborough): Yes.

Mr. McIvor: Why does he appear today in the national costume of his youth?

Mr. MacDonald (Antigonish-Guysborough): What is that again? Why do I appear in the kilt today?

Mr. McIvor: Yes.

Mr. MacDonald (Antigonish-Guysborough): I will come to that matter just in a moment or two.

Mr. Sinclair: Will you answer that question "What is a kilt?" That is something we should all like to know.

An hon. Member: Is it true what they say about Scots in kilts?

Mr. MacDonald (Antigonish-Guysborough): Mr. Chairman, already today I have had quite a few questions on the kilt, but I cannot let them go into *Hansard.*

It is a pleasure to follow the hon. member who spoke immediately before the hon. member who just sat down and whose speech indicates that he comes from the land of the heather. I refer to the hon. member for Selkirk.

Today is the eve of the feast of St. Andrew, patron saint of Scotland, and of all sons of Scotland throughout the world. Tomorrow Scots everywhere will follow the skirl of the pipes and the swirl of the kilt to partake of the traditional food of our ancestors—the haggis. Then will follow the songs of the immortal Robert Burns and others equally renowned; and the highland fling, sword dance, seann thruibhas, followed by the oft-repeated stories of our ancestors until the wee small hours of the morning.

Mr. Ashbourne: I would like to add my voice to those who have already given their congratulations to the hon. minister upon his appointment as Minister of Veterans Affairs and I feel sure that under his capable guidance the veterans will be well looked after. I also wish to thank him for the amendments he has already brought before the house, particularly those affecting Newfoundland and to add at this time my support to the arguments made this afternoon by my colleague, the hon. member for Burin-Burgeo, a veteran who served in world war I and also in world war II.

I also had a copy of this brief forwarded to me by Mr. W. R. Martin, the provincial secretary, Newfoundland Command of the Canadian Legion, British Empire Service League. I will not go into this in detail as was done by my colleague, but would like to say that it has my heartiest support and that I trust the minister will, either by regulations or if that is not possible, by necessary legislation, satisfy the arguments contained in this brief. I particularly hope that he will introduce before this house such legislation as will put the veterans of Newfoundland on a par with the rest of the Canadian veterans. I know at the time when veterans affairs were considered by those who arranged the terms of confederation with Newfoundland in 1947 and 1948, it was recognized that there would no doubt be certain items which would come up in future years and which would have to be straightened out. I feel sure that the hon. minister, who comes from one of the Atlantic provinces, will recognize the claims of Newfoundlanders in this regard and I think we can rely upon him to do anything necessary in order to solve the problems faced by those in that part of the country.

Before I sit down I would also like to indicate my support with those members who have already spoken on the matter of the merchant marine. Coming as I do from Newfoundland and living close to the Atlantic ocean I feel we are in a position to know the great work those men performed in peacetime, and particularly in wartime, in keeping open the channels of transportation by which we have been able to provide the necessary food to keep our population from starvation. I cannot speak too strongly in support of all necessary measures which can be taken in the interests of the veterans and merchant marine and if the minister feels there is any additional legislation which should be brought before this house I feel sure it will be given very sympathetic consideration.

Mr. Broome: Mr. Chairman, I would like to join in paying tribute to the hon. Minister of Veterans Affairs. His regard for veterans has been well known over the period of his service in this house and I know his sincerity and good will is unquestioned. I feel sure he has the support and confidence of all veterans organizations.

There are, however, two matters which I would like to bring before the committe which have been spoken to by the hon. member for Burin-Burgeo and the hon. member for New Westminster, and which concern nearly all members who come from seaports or from areas adjacent to the seas which border this land. This first subject to which I refer is the merchant marine.

I do wish the minister would take into consideration those men who in their service have battled a battle with no time out. I refer to the battle of the Atlantic which did not stop; there was pressure all the time and danger all the time. Their casualties in proportion to their numbers were, I believe, as high as those suffered by any of the fighting services in the second world war and his late majesty, King George VI, recognized the courage and devotion of the merchant marine by designating it the merchant navy, and gave it the distinction of being called the fourth arm of the fighting forces. These men received no re-establishment grants, no V.L.A. payments or gratuities but they gave outstanding service. I do not think it is fair to consider them in the same category as the firefighters or to say that the minister will have opened the door for a large number of other groups to receive the benefits of the War Veterans' Allowance Act. I think the merchant seamen could quite rightly be classed in the same way as the veterans of the army, the air force and the navy.

As I said when I commenced to speak, there is a second point about which I would like to say a few words and that is, if you will permit a little pun, rank discrimination. These remarks have to do with that part of the Pension Act which deals with what are called supplementary pensions. As is well known, Canada had no air service before or during the first world war and therefore a Canadian who desired to join a flying service had to join one of the imperial forces either the Royal Naval Air Service or the Royal Flying Corps. If he was an officer in the Canadian forces he was, with the consent of his commanding officer, seconded for duty with either of the above mentioned flying services, retaining the rank he held in the Canadian forces but in all other respects taking a junior position in the new services. He was paid by the Canadian government at a consolidated rate of pay, equal to the rate of pay in the new service. On the return of this officer to Canada he was treated entirely as a Canadian, both for the purposes of gratuity and pension. If pensioned he could draw such either in or out of Canada and he would not come under supplementary pension regulations.

Now if you compare the seconded officer's position as set forth with that which would apply to an individual—not an officer—who was in the ranks of the Canadian army and wished to join the same flying service, this individual would, with the consent of his commanding officer, be discharged from the Canadian army and would then be taken on

by the imperial flying services and commissioned. After his service and on his return to Canada he would be treated as an imperial in regard to gratuity and pension and would be allowed to draw Canadian rates of pension upon proof of residence in Canada at the date of August 4, 1914. He could draw the supplementary pension under the act only if he continued to live in Canada, and not even medical opinion would suffice to allow him to go abroad to live and still receive it.

As I said before, that is rank discrimination. The same treatment should be accorded to the non-commissioned officer or the private who joined the Royal Flying Corps or the Royal Naval Air Service as would be accorded to him if he had held a commission and had been seconded to those services. I do wish the minister would take this matter into consideration. I do not believe it would involve a great deal of trouble to recognize the facts; there cannot be too many people concerned but it is not right to leave things in that way.

Mr. Olson: Mr. Chairman, I am going to be very brief in my remarks. We have a problem which concerns veterans in Medicine Hat and as a matter of fact it is the number one problem there in so far as the veterans and the branch of the Canadian Legion are concerned.

This problem arises out of the offering for sale of houses in what is known as the Medicine Hat project No. 38 which is 100 per cent occupied by veterans. These sale prices were set at an amount almost 100 per cent of the initial cost in spite of the fact that these are frame buildings and are almost 10 years old.

Now the total cost including payments for land and so on, according to information I have received from one of the departments here was, $722,114 and, also according to this information, the anticipated recovery from the sale of these houses is $710,500, or very nearly 100 per cent of the initial cost plus the cost of the land, which of course would have to be paid to municipalities as soon as they are sold. This does not, however, take into consideration the fact that $365,000 has been paid in rentals during the period from 1948 to 1957. Surely any reasonable person would have to agree that there must be some depreciation on a frame building over a ten-year period.

Having had to pay 100 per cent of the initial cost this deal ties the veterans down for the next 25 years at these high prices and with a 6 per cent interest rate.

I will admit, as the veterans do, that the maintenance, appearance and general value of these buildings has been kept at a high level during these years but I would like the members of this committee to know that the main reason for this is that the veterans have taken money out of their own pockets to pay for interior decorating, landscaping and in fact everything that was necessary in the way of maintenance with the exception of major replacements such as a hot water tank or some other significant purchase.

I do not want to speak on this subject at great length because I intend to bring it up in more detail when the estimates of the Department of Public Works are brought in. Since this is a matter that is of concern only to veterans I would urge the Minister of Veterans Affairs to look into it. I would like him to study the picture, the arrangements for financing over the 25-year period and the other details and then decide if he thinks it is fair to ask these veterans to pay back all the money that was expended to construct the project. They have regularly paid their rent throughout the years and as I said this amounted to $365,000 so it is obvious that there is a substantial profit some place. Central Mortgage and Housing Corporation advise me they are not actually making a profit on these buildings but they have not as yet been able to show me what has happened to the $365,000.

On June 11, 1956, an hon. member asked what was the amount of expenditure on the upkeep of this project for painting, repairs, etc. up to March 31, 1956. The answer was $17,995. It was also asked what was the cost of administration up to the same period and the answer was $22,350. This represents only a very small portion of the $365,000. I realize of course there was some interest that had to be paid on the original capital investment but even with a reasonable rate of interest and taking into consideration the maintenance and administration the cost would not come anywhere near the amount that was paid in rent. There must be a profit some place but I do not know where. If Central Mortgage and Housing Corporation has not made any money on this project then one can only conclude that some money has been transferred. I do not know where it has been transferred to, but I think a large part of it should be applied to depreciation. If that were done the asking price for these houses could be lowered. This would satisfy the Canadian Legion and the veterans who are living in these houses.

Mr. Peters: Mr. Chairman, I would like to say only a few words at this time but before doing so I wish to express my appreciation to the officials to the Department of Veterans Affairs. In the short time I have been here

I have referred a number of problems to them and have been extremely pleased with the kind reception I have received.

I would like to refer for a moment to the work that is being done under the Veterans' Land Act and the amount of information and assistance that is being given to young farmers under this act which is certainly appreciated by the farmers concerned. I think it would be advisable for the department to again take a look at the prices that are being paid for land because in some cases the prices that are being offered by the department are unrealistic in my opinion. However, it may be that revaluations have not been made to date but are in the process of being made.

Another matter the department should keep in mind is one I raised previously regarding insurance for service personnel. I believe we should adopt a system similar to that used in the last war by the United States government of carrying an insurance policy of $20,000 to $25,000 on service personnel so their dependants would receive some assistance in the event of the death of a veteran or one who is hurt or maimed during hours when he is not covered, at the present time, by the Department of Veterans Affairs.

Certainly all Canadians are proud of what we were able to give our service personnel following the war in terms of the equality we were able to establish between what they had before giving their service and what they received upon return to civilian life. We would like to constantly improve conditions for our service personnel and this could be done quite effectively if the government would put into the pay structure an amount to cover the premium on a paid-up insurance policy on a term basis of $20,000 to $25,000. For instance, in the case of one of our service personnel serving in a foreign country who was killed in an automobile accident while off duty, the adoption of such a plan would provide his dependants with something to tide them over in that time of need. It may be argued that this is not the responsibility of the government and that the service personnel are aware of such eventualities and should make provision accordingly, but this thought is of small comfort and no compensation to the wife and family of a member of the services who dies in circumstances such as those I have outlined. I urge the minister to give consideration to this suggestion and I would hope that it would be adopted.

Mr. McIvor: Mr. Chairman, I would like to ask the minister one question. Will the government consider the granting of pensions without a means test at age 60 to veterans who have served in active warfare?

[Mr. Peters.]

Mr. Patterson: Mr. Chairman, I have several observations to make with respect to veterans legislation. I realize the desirability of proceeding as soon as possible with the consideration of the actual estimates. However, I might just mention several matters with respect to veterans legislation. I believe that the veterans across the country are experiencing an increased sense of satisfaction with the legislation which is being brought in from time to time, much of it to clear up some of the ambiguity that existed. Other measures were introduced to close some of the gaps in the legislative program, and I do know that the veterans are very pleased with the interest taken by members of parliament in these particular matters.

I should like to refer once again to the position in which some of the veterans find themselves when, although they are in receipt of war veterans allowances, they are not able to supplement their income through casual earnings. There are various factors which contribute to this situation. It may be a health factor, or else the economic situation of the area in which they are residing, and they find it impossible to supplement their incomes in any other way. These veterans are still finding themselves in a very serious position economically, and I feel that real consideration should be given to the matter to try to improve the lot of veterans in this category. I believe there is disappointment over the fact that there is no increase in the basic pension; but there are several other factors which I would like to mention in connection with pensions. One was raised by the hon. member for Acadia. It was the Legion's request as follows:

> Where a pension applicant who served in an actual theatre of war is found to have a disability resulting from an injury or a disease not recorded on medical examination prior to enlistment, such injury or disease shall be presumed to have occurred or had its inception subsequent to enlistment.

Now, I feel in this particular respect many of the veterans are suffering from a very serious injustice. I believe that the Legion is taking only a very sensible attitude to the situation in making the request that this particular matter be clarified. I am not saying that the pension board would deliberately use this particular loophole to deprive an individual of his right to pension or the benefits that should be his; but I do feel that the legislation should be opened up to the extent that the pension board itself possibly could exercise more initiative and consider the applications on their merits rather than just being held to a strict and severe interpretation of the letter of the law. This is one of

the matters which I would bring once again to the attention of the minister and his department.

In connection with the awarding of pensions, I have been approached by at least one of my constituents not too long ago relative to this very matter. An application has been made but time has slipped by for months, in fact for years, possibly, and then finally the pension board awarded the pension to the individual but there is no provision for a retroactive award. I do not think it is quite fair that a person who qualifies for benefits in this way should be placed in the position where, after a period of months or even years, he loses the benefits because of the fact that the particular application had not been processed satisfactorily up to that time. I do feel that this matter should be given consideration. I know that the Legion in their brief refer to this matter as well. On page 14 of the brief presented to the Prime Minister of Canada and the cabinet by the Canadian Legion we find section 7 dealing with retroactive awards. The Legion says:

> 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.

The brief goes on to record the possible difficulties of establishing whether or not the person is eligible, but once he is declared to be eligible, then I feel the award should be made retroactive. I believe the Legion is very modest in its request in this regard because, on page 16, it states:

> 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.

It just means that the applicants who made their applications back at that time have no means of redress, and apparently they are just out of the benefits. However, I do trust that the minister will give his attention to this matter.

These are the only matters to which I wish to call attention at this time, Mr. Chairman. The rest can be dealt with as we proceed with the estimates.

Mr. McCullough: Mr. Chairman, I shall be exceedingly brief this afternoon because two of my colleagues have already spoken at some length in putting before the committee the pleadings of this group in regard to this very important matter. However, I should like to express my feelings in regard to one very important aspect of pensions for veterans. I have had a number of cases brought to my attention having to do with the failure of a veteran to receive a pension for service owing to the fact that he could not prove that his disability occurred during service. I want to add my voice to that of those hon. members who have already seen fit to bring this matter to the attention of the minister.

The hon. member for Kootenay West said earlier today that it would not take too much money to give further justice to the veterans of the first and second world wars. Many of the injustices of the past have been cleared up but I think, sir, that one of the most important things is the psychological effect on a veteran who has given service to his country, has come back and is unable to care for himself and his family when he finds that for some reason he is not eligible for a service pension. On occasions it has been pointed out to me that such a veteran, if he is indigent, can apply to the commission and get the war veterans allowance. I think, sir, that justice comes first and if the veteran has served, as have the individuals who have been brought to my attention, and for whom I have been fighting with the commission to try to get some type of eligibility for pension, then he should receive a pension. I do not think it is sufficient to say that that man can get war veterans allowance in lieu of entitlement to a legitimate veterans pension.

The point is this, Mr. Chairman, as is well known by all members in the chamber. If a veteran enlisted in either world war I or world war II, was classified as A-1 and then was discharged, not demobilized, with a disability, surely it must be admitted that the disability was due to service and the onus of proof must be on the pension commission to prove that the disability was not in fact caused by his service. That is the point I wish to make.

I have some case histories here and I should like to refer to one. I am not going to use the veteran's name, but this man enlisted and after examination by specialists was given an A-1 category. He had service in the first great war. When he was discharged he was in E category. It is well known that with an E category he should have been automatically boarded for his disability, but this veteran has been fighting to try to get a pension for his disability. He was discharged because of arthritis of the spine. His medical case history indicates that the disease or injury was arthritis of the spine, that the place of origin was unknown and the date of origin was unknown.

Surely we as members of the house do not have to continue to fight for justice for such veterans. I hope that the rumours I have heard are true that the government in the future will be more tolerant towards veterans making application for pension. I hope that members will not have to fight interminably

for such veterans. If a veteran had an A-1 category when he entered one of the services after inspection by the medical officials and came out with a low category which necessitated his discharge, surely in the name of justice such a veteran should get a pension. I only hope that very soon all the outstanding cases that come before us and the pension commission will receive justice, that the onus of proof will, if necessary, be placed on the commission rather than on the veteran to prove the disability and that justice will be given to such veterans.

Mr. Brooks: I wish to say a few words in answer to the questions raised by different hon. members. First I want to thank them most sincerely for their very kind remarks with reference to myself and particularly with reference to my staff. I wish to thank the hon. member for Rosthern. I think he was the first to mention this very important matter, and I can assure him that the feelings he expressed regarding my staff are the same as my own and for the same reason.

The hon. member for Kootenay West and the hon. member for Acadia, who have been in the house for many years and have been members of veterans affairs committees with myself, made, along with others, many recommendations. I appreciate very much the recommendations that have been made. They are not new. They have been made many times before. It simply goes to show that veterans problems are always with us and that while we may make amendments to the legislation at one session or in one year there is still unfinished business which has to be dealt with later.

The hon. members mentioned particularly the merchant navy and the firefighters. The hon. member for Kootenay West, the hon. member for Acadia and also the hon. member for Selkirk, who has been in the house for a number of years, will remember that these problems were discussed on numerous occasions in the past. When the veterans charter was being considered we had the advice of many veterans organizations across Canada. The merchant marine representatives and also the representatives of the firefighters appeared before us.

From conversations I have had with some of the new members I am of the opinion that many of them think there is is no legislation dealing with the firefighters and the merchant marine, but I should like to point out to them that in the firefighters act, which they will find in the veterans charter, many benefits have already been bestowed upon the firefighters. The same applies to the merchant marine and a number of other groups which were also considered at the same time.

One of the great problems we have encountered, and which was encountered when I was a member of the committee, is the fact that neither the merchant marine nor the corps of firefighters were considered to be part of the armed forces, and some of the advantages and benefits which they are asking now were denied them and have been denied them throughout the years on that account. That is a problem which still requires considerable attention and discussion. It is one of the matters which should claim the attention of a veterans affairs committee when such a committee is set up.

I want to assure the hon. member for Selkirk that it is my intention to have a veterans affairs committee set up at the next session of parliament. I made that very clear, I thought, when the war veterans allowance amendments were before the house a short time ago. I believe the hon. member for Acadia also mentioned section 13 of the Pension Act which has to do with pre-enlistment disabilities. This is also a subject which has been discussed in the house and in the committee on many occasions and it also requires further study. There is also the matter of the benefit of the doubt. The hon. member for Acadia will remember that we did not spend hours but days discussing this matter when it was before the committee in days gone by, and in his opinion and the opinion of many others it is still a matter that is not settled. Certainly it is not settled to the satisfaction of a great many and will still require attention.

The hon. member for Acadia spoke about the case of the widow in Winnipeg who should, in his opinion, receive a pension. I am sure he will be glad to know that the chairman of the pension commission will be pleased to look into the matter and give it further attention. I was very pleased to hear some hon. members give praise to the administration of the Veterans' Land Act. I have heard considerable praise of the administration of the act and I may say I was very pleased about two weeks ago to have the opportunity to meet the district superintendents from all across Canada, the men who are responsible for the administration of the act throughout the dominion.

Judging by the calibre of the men who came here to Ottawa three weeks ago, I would say that the administration of this act was in good hands all across this country. It is known to me, and I think it is known to hon. members here that the men who have settled under the Veterans' Land Act are taking a very leading part in the communities in which they live. We are very proud of that. They are certainly making a great contribution throughout this country.

There was a question asked regarding the corps of commissionaires by the hon. member for Acadia. The corps of commissionaires is an independent body, with its own board of directors, and it operates within all provinces. The hon. member for York-Sunbury, who was an executive of the Canadian Legion, was quite correct in his explanation. The commissionaires are employees of the corps and not of the government. The government employs some commissionaires, as a matter of fact about 50 per cent of those who are employed. In the case of private employers the rate is set by arrangement between the corps and the employers. When the government employ commissionaires, the rate is set by the treasury board on the basis of the prevailing rate for that area. I believe the rate differs across Canada and in some sections it is lower than in others. I believe, Mr. Chairman, that explains to hon. members the situation with regard to the corps of commissionaires.

The hon. member for Burin-Burgeo mentioned the Newfoundland problem. This is a problem which is peculiar to Newfoundland, and it is one which is being studied at the present time and one which will have to be very carefully studied when the committee is set up.

The hon. member for Selkirk brought up the question of the mentally sick. He asked if pensions were paid during mental illness. They are paid, and they are used for the benefit of the dependants of the mentally ill person.

Mr. Bryce: If the patient is receiving a pension when he goes into hospital, does he get the whole of the pension or just a percentage of it?

Mr. Brooks: The whole of the pension is paid.

Mr. Bryce: He gets the whole pension?

Mr. Brooks: Yes. The hon. member for New Westminster mentioned the merchant seamen. I might say in that connection that there is no one who appreciates what the merchant seamen suffered and the contribution they made to the winning of the war more than I do. We know of the terrific hardships they experienced, and we know also of the heavy casualties which they suffered. The hon. member for New Westminster asked for a further study of the situation concerning children of the war dead, and I can assure him that will be done. I believe the hon. member for Vancouver South was also interested in the merchant seamen. The hon. member for Medicine Hat mentioned the sale of land under the Veterans' Land Act, and this is a problem to which we shall have to give careful study before I can make any definite statement.

The hon. member for Timiskaming mentioned the Veterans' Land Act and I wish to thank him for the praise he gave the administrators of that act. He spoke about the information and assistance which was given to young farmers. He thought the price paid for farms was continually rising, and this is a matter, of course, which would have to be looked into. The hon. member also mentioned the insurance on serving personnel. This does not come under the Department of Veterans Affairs, but under the Department of National Defence.

I do not wish to take any more time. The individual items will be considered, and if there are any more questions which hon. gentlemen wish to ask we will do our best to answer them.

Mr. Broome: The minister did not comment on the question I raised concerning the enlisted men who had been discharged to serve in the royal flying corps as compared with officers who had been seconded.

Mr. Brooks: Will the hon. gentleman be satisfied if we write and give him the full explanation? There is quite a long story to that.

Mr. Tucker: It might facilitate the passing of the actual items of the estimates if the minister were to indicate whether or not he is recommending these estimates as they are found in the blue book or whether he is making any changes. If he finds the estimates satisfactory and there is no waste or extravagance, and is recommending them as they were brought in by the previous government and as studied by the estimates committee, then that might facilitate their passage. These estimates are very familiar to the members of that committee.

Mr. Brooks: I might say to the hon. member that I am recommending them as they are set out in the book. So far as waste and extravagance is concerned, at the beginning of his speech the hon. member wanted to know from me whether or not I considered there was waste and extravagance in the department. I might say at once that I have not found any waste or extravagance, but I did not expect to find them in this department. This department deals almost entirely with pensions, war veterans' allowances and many thousands of things which the hon. member mentioned in his speech. There is not any chance for waste and the money spent for our veterans could not in any way be considered waste or extravagance.

So far as the construction of our buildings is concerned, that is another matter altogether. This is looked after by another department and I have no intention of answering so far as that is concerned.

Item agreed to.

Treatment services—

500. Operation of hospitals and administration, including authority for payments, during the current and subsequent fiscal years, to canteen funds of departmental hospitals in amounts equal to the amounts of commissions received by or on behalf of Her Majesty from pay telephones in such hospitals, $44,368,445.

Mr. Herridge: I do not intend to delay the committee long but I want to raise a matter that I promised certain patients of Shaughnessy hospital to raise, certain veterans I have met, certain dependants who have written to me about this matter and certain Legion members who were at Legion meetings and who discussed it while I was present. I understand that under our regulations certain veterans, other than those who go into hospitals for their war disabilities and those in receipt of war veterans' allowance, are entitled to enter our hospitals provided they make certain satisfactory arrangements in relation to their financial circumstances. I understand if a veteran cannot meet the regulations of the department, then the officials—I know they do their best in this respect—make every effort possible to see they are properly provided for under the auspices of the provincial authorities concerned.

This matter first came to my notice when I was visiting Shaughnessy hospital when a number of patients took strong exception to the fact that they had comrades knocking on the door who could not get in because of the regulations while male immigrants were receiving hospital services, dentures, glasses and all other things that were required and certain female immigrants and children were getting a sort of out-patient service. We know that these people must be cared for but I remember very well when the late Hon. Ian Mackenzie dedicated Shaughnessy hospital and spoke at the opening of the hospital. At that time he said that this hospital was built to serve the needs of the veterans and the men who fought for this country. I am not blaming the minister or the department for these circumstances but I take strong exception, as do a good many Canadians, to the fact that there are veterans who fought for this country who are in needy circumstances and who, under our regulations, can be denied admission to veterans hospitals. I will admit arrangements will be made with the provincial authorities to care for them. We know that people who are ill must be cared for.

I understand that the department—and I judge this from some conversations that I have had at lower levels—rather reluctantly complies with the wishes of the immigration department. This matter that arose in Shaughnessy hospital came to a head, shall I say, rather as a result of the influx of Hungarians whom I prefer to call on the whole freedom seekers. I met some of the boys in there and they are quite stirred up about the matter. One of them told me that there was actually in the hospital a patient who had fought against this country, while he had a chum who needed treatment but who could not get in under the regulations. I think the situation should be the other way around. I think our immigration department should make arrangements with the provincial authorities and other hospital institutions for the care of those people because they pay for those services and that not a single needy veteran who requires treatment should be denied treatment in a veterans affairs hospital in this country at this time. These hospitals were erected and are maintained for that particular purpose.

I could speak at considerable length on this matter because I have had a good many representations in connection with it. I am rising to bring this matter to the attention of the minister at the request of some of my comrades in British Columbia and in my constituency. I should like the minister to inform the house of the numbers of immigrants who have been admitted to veterans hospitals in Canada during the past year and the numbers of Canadian veterans who have been denied admission under the regulations, and of the arrangements that are made by the immigration department for these free services to immigrants.

Mr. Brooks: I am rather surprised to hear of this complaint from Shaughnessy. I think I can assure the hon. member immediately that there were no veterans refused admission to Shaughnessy hospital. That is my information. As to the number of Hungarians admitted, we have not that information before us, but I will get it and see that the hon. member receives it. However, I know that in the Ste-Foy hospital in Quebec a request was made that some of the Hungarian immigrants be admitted to the hospital and I know that every care was taken to see that our veterans were not denied beds in that hospital before any Hungarians or any one else was admitted to the hospital. That is the policy of the department. This is my first information

that the policy has not always been carried out. However, if the hon. member will supply us with the particulars we will certainly see that there is an investigation in this connection.

Mr. Herridge: I should like to ask the minister a further question. Do I understand him correctly that no needy veteran—that is needy from a financial point of view—will ever be refused admission to a veterans affairs hospital in Canada?

Mr. Brooks: No eligible veteran.

Mr. Herridge: Pardon me; a distinction is made. What does the minister mean by the term "eligible"?

Mr. Brooks: Under our treatment regulations provision is made for eligible veterans.

Mr. Herridge: That is my point. There are veterans who are not eligible under our regulations, and who can be denied admission at the present time. I suggest that no needy or destitute veteran in Canada, regardless of the present regulations, should be denied admission when we can make provision for other persons.

Item agreed to.

Miscellaneous payments—

510. To provide for payment to the last post fund; for the payment under regulations of funeral and cemetery charges, including the perpetual care of graves where applicable; for the cost and erection of headstones in Canada; for the maintenance of departmental cemeteries; for the maintenance of Canadian battlefields memorials in France and Belgium and for Canada's share of the expenditures of the Imperial war graves commission, $1,378,800.

Mr. Peters: May I have from the minister an explanation as to what extent this item 510 applies, the extent of funeral plots under perpetual care, the extent of headstones that are erected across the country and what are the requirements for obtaining those.

Mr. Brooks: Does the hon. member refer to the last post fund?

Mr. Peters: Yes.

Mr. Brooks: The Last Post Fund Incorporated. This vote covers certain expenses incurred by or provided for by the Department of Veterans Affairs in respect of burials and memorials. An explanation of the various administrative functions, cost of which is provided for herein, is as follows. The Last Post Fund Incorporated operates under a dominion charter for the purpose of preventing the burial of a veteran in a pauper's grave. Veteran, for the purpose of the regulations, means a former member of our armed forces. There are certain amounts paid. As to funerals and cemetery charges, under the veterans burial regulations the department is authorized to arrange and pay for the funeral and burial of certain veterans who died while on treatment strength of the department, but only when no other person or agency will accept final responsibility therefor. For a funeral, the department may pay an amount not exceeding $175 for the services of one funeral director or $225 when the services of two funeral directors are necessary and are provided. In addition to funeral costs the department is authorized to pay certain cemetery charges and to provide a grave. That is the general principle under which we operate. I wonder whether that answers the hon. member's question.

Mr. Peters: Do I understand that it means that this is applied to those veterans under treatment who are going to come under that pauper section?

Mr. Brooks: If they die under treatment in our hospitals or while on treatment strength they are looked after by our department under this particular vote. If they die outside, they are looked after under the last post fund to which we make contibutions.

Item agreed to.

Soldier Settlement and Veterans' Land Act—

516. To provide for the cost of administration of Veterans' Land Act; soldier settlement and British family settlement, $5,029,545.

Mr. Quelch: I wonder whether the minister could give us what is the deadline for applications under the Veterans' Land Act.

Mr. Brooks: There is no deadline.

Mr. Argue: I wonder whether I got the minister's answer correctly. I have had one or two veterans say to me that the expiry date under which they might receive money under the Veterans' Land Act is soon to be reached. I think perhaps this is in relation to re-establishment credit which they might receive and which they might have to pay back. I am not an authority on this bill but veterans have spoken to me and they were under the impression that they had very little time remaining during which they might receive money under the Veterans' Land Act for the purchase of homes. If they are under any misapprehension I am sure they would be very pleased to have reassurance from the minister.

Mr. Brooks: The hon. member has referred to the deadline for the re-establishment credit, that is 1960. There is a deadline there.

Item agreed to.

Resolutions adopted in committee of supply this day reported and concurred in.

Private Bills

PRIVATE BILLS

INVESTORS TRUST COMPANY

The house in committee on Bill No. 29, to incorporate Investors Trust Company—Mr. Morton—Mr. Casselman in the chair.

On clause 1—*Incorporation.*

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, before clause 1 of this bill carries there is a question I would like to ask. Is the sponsor in the house?

Mr. Morton: Mr. Chairman, I have been asked to stand as sponsor in the absence of the hon. member for Winnipeg South.

Mr. Knowles (Winnipeg North Centre): Then I wonder if the hon. member for Davenport could make any statement to the house concerning a line of questioning which was pursued in the committee when this bill was under consideration. I believe it was brought out in the committee on banking and commerce that the position of this company is affected by recent changes in the Income Tax Act having to do with moneys put into annuities. I believe as a result of that questioning the point had been reached where the superintendent of insurance was asked whether anyone on behalf of the government inspects or examines the forms of application completed by individuals; a request, as I read the report of the committee, directed to making sure that individuals are protected under the changed situation. I would like the hon. member to say whether that matter was pursued and whether anything has been learned since the committee met as to what is being done with respect to making sure that this kind of protection is offered.

Mr. Morton: Mr. Chairman, as I understood the answer in committee, it was that while the government did not take upon itself the duty of being responsible for the contracts between the individual and the company as such, because of the procedure and the close scrutiny actually given each and every application by some governmental agency—I believe the Department of National Revenue —the net result is that the individual is well protected. As I say, this is in view of the answers to questions and the varied information which has to be supplied to the Department of National Revenue which insures that the individual is, in fact, protected.

Clause agreed to.

Clauses 2 to 6 inclusive agreed to.

Bill reported, read the third time and passed.

[Mr. Brooks.]

BRITISH COLUMBIA TELEPHONE COMPANY

The house in committee on Bill No. 18, respecting the British Columbia Telephone Company—Mr. Jung—Mr. Casselman in the chair.

On clause 1—*Repeal.*

Mr. Barnett: Mr. Chairman, it is not my intention to discuss this bill at length in the committee of the whole. The standing committee on railways, canals and telegraph lines, of course, was the scene of some detailed discussion. In view of the rather complicated nature of some of the evidence given by the officials of the company in the standing committee it is perhaps unfortunate that the proceedings of that committee reached the mail boxes of hon. members of the house only today which means we have not had an opportunity to properly study and analyse the verbal representations made in the standing committee by the officers of the company.

As far as those members of that committee who sit in the C.C.F. corner of the house are concerned we did recognize and were satisfied as a result of the evidence given by the officials in the committee that there is need for a considerable capital expansion program in the telephone services in the province of British Columbia. Certainly many of us who represent constituencies in that province and who are receiving constant information from our constituents about their desire and need for an extension of the existing telephone facilities hardly needed to be told that by the officials of the company.

The position of the C.C.F. group in respect to the British Columbia Telephone Company has been well known over the years in the province of British Columbia. We feel that this being a monopoly public utility in our province it should more properly come under public ownership and that if steps were taken to bring that about substantial savings to the telephone users of the province of British Columbia could result.

As I say, much of the evidence which was given by the company officials in the committee was rather complicated, at least as far as a layman like myself—in matters of high finance—is concerned, but I think there were one or two facts which became generally apparent as a result of that discussion. One was the fact that this company which in the province of British Columbia is known as the British Columbia Telephone Company is in fact not a British Columbia telephone company at all but it is a company which is in part owned and in fact controlled by United States financial interests. That information given by the company's officers as

a result of a little prodding here and there during the course of the questioning coupled with the facts relating to the interrelationship between the parent company and the British Columbia Telephone Company and some of the concerns which are engaged in supplying telephone equipment does reveal that there is a great possibility that under various arrangements unnecessary costs are entering into the picture in the province of British Columbia as far as telephone rates are concerned. That is to say, when the board of transport commissioners reviews the applications of the company, because of this very complicated corporate structure that lies behind the carrying out of their operations there are as far as I was able to judge from the evidence given in the committee a good many possibilities that hidden costs and charges which of course have to be passed on to the users of telephone services within the province of British Columbia will not be revealed.

As I said when I rose, Mr. Chairman, it is not my desire to discuss this matter at length but I did feel I should report to the committee of the whole at least those conclusions I arrived at after having sat in the committee meetings during the presentation of the evidence by the company. I can assure the committee of the whole and possibly also the British Columbia Telephone Company that those of us who come from the province of British Columbia and are elected to this house under the banner of the C.C.F. certainly intend to continue to pay a great deal of attention to the operation of this company.

In a province such as British Columbia where many of the communities are separated by long distances and where modes of travel in many cases are limited the type of telephone service that is provided is a very vital concern to the people who live there. Certainly this is true in respect to many of the people who live in the more isolated areas along the coast, a large part of which falls within the boundaries of the constituency of Comox-Alberni. I know that many of the people who live in those areas are not satisfied with the service they are getting at the present time. Rightly or wrongly they have the feeling that this telephone company whose primary concern is the making of profits for its shareholders has been inclined to concentrate upon the richest fields of endeavour, that is the more heavily populated areas in the lower mainland of the province. They feel that because of the primary concern of this privately owned utility in the making of profits for its shareholders services are not as good as they might otherwise be.

On the other hand from suggestions I have heard made by some of my colleagues who live in the more heavily populated areas I understand that some of their constituents also feel there is room for improvement in the service provided by this company and that in many cases they feel the rates they are paying for the service are higher than they think they should be paying.

As we indicated at the second reading stage of this bill, we realize that basically the bill is not concerned with the form or type of ownership of our telephone system in the province of British Columbia and the passage or otherwise of this bill is not going to give us an opportunity to bring about the changes we would like to see made. I think we made it clear that we had no desire in any way to prevent the British Columbia Telephone Company from being able to finance the carrying out of the services that are needed in many of the growing areas of the province and after having heard the evidence given in the committee I think I can say we hold substantially the same views we expressed on second reading and we are not at all happy about some of the indications that were revealed as a result of the questions we asked in the committee.

Mr. Castleden: Mr. Chairman, I should like to congratulate the hon. member on presenting his bill and I hope he will be successful in piloting it through the house. I would like to ask him one or two questions. Are there any independent, provincial or municipal telephone systems in the province of British Columbia?

Mr. Jung: Mr. Chairman, I believe there is one, the Okanagan Telephone Company. There have been other telephone companies that have since been absorbed by the B.C. Telephone Company. The B.C. Telephone Company purchased the Mission Telephone Company Limited in 1952, and with that purchase the company expanded its territories by the addition of operations in the Fraser valley north of the Fraser river. Then, in 1953, the B.C. Telephone Company purchased the Kootenay Telephone Company Limited and that completed the expansion to the east Kootenay section of British Columbia. In the following year, 1954, the Chilliwack Telephone Company Limited was also purchased and in 1954 the government telephone and telegraph service was also taken over by the B.C. Telephone Company. Since taking over the government service substantial improvements have been made. There have been major conversions from magneto to battery sets, pending the installation of new equipment, which will enable automatic dial telephones to be put in. New offices have been installed and improvements of the distribution plant; that is, pole lines have been

rebuilt and extended. It is proposed that hundreds of thousands of dollars will be going into that area.

Mr. Castleden: Can the hon. member tell us something about the comparative rates, say for a private phone of the independent company in the Okanagan which is, I believe, a municipal phone system, and those charged in similar areas by the B.C. Telephone Company?

Mr. Jung: That question, I think, was asked in committee but I do not see the answer printed in the proceedings.

Mr. Broome: It is not a municipal system; it is a privately owned system. Its rates are above those of the B.C. Telephone Company for equivalent service. I have a telephone in the Okanagan and a telephone in Vancouver and therefore I know.

Mr. Castleden: I was not questioning the information at all. Does the B.C. Telephone Company have to apply to the board of transport commissioners for permission to increase rates?

Mr. Jung: Yes, it does.

Mr. Castleden: What is the history of its applications in the past?

Mr. Jung: They have all been subjected to most searching and exhaustive inquiry and they have always been granted. The board of transport commissioners does not, I believe, have any control over the type of service, but it does exercise indirect control through asking questions about its rate structure and the price of the equipment which it purchases. It indirectly controls the service extended to the subscribers in that area.

Mr. Castleden: How many applications have there been for an increase in rates, say, over the past 15 years?

Mr. Jung: I am sorry, I cannot answer that question but I can secure the information for my hon. friend.

Mr. Castleden: What is the basis upon which the board of transport commissioners grant the increase? In case an application is made, what do they take into consideration, costs and so forth?

Mr. Jung: I am sorry I cannot answer that question because I am not a member of the board of transport commissioners and I am afraid it is outside my sphere of knowledge.

Mr. Castleden: What about the value of the stock of this private company on the market? Has it been on the increase or has it been increasing lately? I believe their shares are of a par value of $25?

[Mr. Jung.]

Mr. Jung: I am sorry, I also cannot answer that question but I am quite sure if the hon. member will refer to the financial page of any of the newspapers he will find that information will be available.

Mr. Castleden: What I want to know is whether or not the board of transport commissioners would take into consideration, when they were asked for an increase in rates, the amount of dividends which were being paid on the shares of this company?

Mr. Jung: Mr. Chairman, I am quite sure they would. I understand the reason why the hon. member is asking these questions but it does not fall within the report of this committee. I am quite sure the board of transport commissioners will inquire into all phases of the company's activities if an application is made.

Mr. Castleden: I know they would inquire into it. They would probably have the information already. I was just wondering whether or not they would want to know what considerations went into it, as to whether the company was making sufficient profit on its stock as it is today and as to whether or not it requires some increase in its rates, based on the profits it was making. The other question I would like to ask the sponsor of the bill is whether or not there has ever been a provincial telephone company established in the province of British Columbia to carry on this public service under provincial control and thus any profits accruing out of the operation of this public service would go to the people of the province rather than into the hands of a private company?

Mr. Jung: As far as I know, Mr. Chairman, the answer is no.

Mr. Winch: Mr. Chairman, I think we all appreciate the great expansion that is required in telephone service in British Columbia. Because the B.C. Telephone Company controls over 90 per cent of the telephone business in British Columbia we understand its requirements in coming before this House of Commons at this time and asking for an increase in its capitalization. I feel sure, Mr. Chairman, because of the requirements of service and assistance in employment, no member in this house will place any obstacle in the way of this bill going through.

However, along with the statement that the telephone service and employment situation in British Columbia are such that this bill must go through, we also have the responsibility of drawing to the attention of the committee the situation which has developed in British Columbia, and also

throughout Canada, in so far as a communication monopoly is concerned. We also must raise the question, perhaps not for decision now but for investigation later, as to the intricacies and complications in the company's management and in its method of financing.

I do not raise the question in order to block this bill, but I do believe that hon. members and the public should take note of the information given in the committee on railways, canals and telegraph lines to the effect that it is the declared intention of the B.C. Telephone Company to issue new capital to be authorized by this bill to the present shareholders of the B.C. Telephone Company.

It will be done at a cost to present holders of shares between 5 per cent and 6 per cent less than the market value of British Columbia Telephony Company shares. If you sell at less than the market value somebody has got to pay and in the long run it can only be the consumer. I think it is wrong in principle that privileged persons or companies should have the right to buy shares at 5 per cent to 6 per cent less than the market price and then be in the privileged position of not having to pay any income tax because we have no such thing as a capital gains tax in our country.

I was most interested, Mr. Chairman, in reading a remarkable speech made by a member of the other place not on this bill but on one of a similar nature. In a speech that must have taken him over half an hour he pointed out the dangers of monopoly in communications services and made a suggestion which I believe should be repeated on the floor of the house so I am going to do so now. He suggested that there should be a joint committee of the other place and the House of Commons to make a thorough investigation of the set-up, in all its intricacies and machinations, of companies in the communications field.

It was clearly apparent from the evidence given before the standing committee of the house with respect to the British Columbia Telephone Company that there are terrific intricacies and machinations. For example, it is correct that the B. C. Telephone Company is mostly owned in Canada but there is one block of shares amounting to about 35½ per cent, I believe, owned by the Anglo-Canadian Telephone Company with headquarters in Montreal. Who controls Anglo-Canadian? It is controlled in the United States. It was honestly admitted in the evidence before the committee that the B.C. Telephone Company does not do its own purchasing or installing. It uses a company that is owned wholly by Anglo-Canadian Telephone Company and one-third of its purchases are from a company which is owned in the United States and again owned by the same company that indirectly controls the B.C. Telephone Company.

Here we have the situation of a company that has almost a virtual monopoly of the communications system in British Columbia, or 90 per cent of it, which, in the words of its own president, is controlled in the United States, does its purchasing and installation through a company owned wholly by Anglo-Canadian and controlled in the United States, and buys one-third of its equipment from a company which is owned in the United States which company is in turn owned by the same octopus. From the manufacturing to the purchasing, installing and service end we have a vicious circle, a circle which I honestly believe is of such a nature that if investigated thoroughly would show that the cream from the profits of the B.C. Telephone Company is being drained off by these other companies and that the people of British Columbia are paying rates for telephone service which the company can prove on the basis of its own operations but which are unfair because the public utilities commission does not take into account the draining off of profits by subsidiary companies.

I say, Mr. Chairman, that we are aware of the need of extension of service in British Columbia. We know that it requires money. We are not going to block the passage of the bill in any way but we do think very seriously that in accordance with the suggestion made the other day by a member of the other place it is high time that a thorough examination was made of all the intricacies and manipulations of communications companies, the tie-up of interlocking directorates and operations through subsidiary companies in order to be able to assure the people of British Columbia and Canada that they are not being, as I honestly believe they are, rooked by monopoly corporations in the communications field, the British Columbia Telephone Company in my own province and other telephone companies in other parts of Canada.

Mr. Broome: I should like to speak for two or three minutes on the bill. I was a member of the committee which considered it and what we have just heard shows how people can take different interpretations from the evidence put before them. The hon. member for Comox-Alberni said that under prodding he got certain information. It seemed to me that it was freely and factually given. So far as financing is concerned, the hon. member for Vancouver East talked about a 5 per cent to 6 per cent lower price through the use of rights. It was explained that it was not 5

per cent to 6 per cent but was three or four points. It was also explained that the cost of financing a major issue like this is considerable and that what the company does is to offer shares to its shareholders at a price which takes into account the cost of financing.

Mr. Winch: On what page of the evidence is that? Come on.

Mr. Broome: I cannot give the page.

Mr. Winch: I will call you on that.

Mr. Broome: When the president of the company was asked I believe he said four to six points.

Mr. Winch: Five to six.

Mr. Broome: It was points, not percentage. Secondly, any fair comparison would be a comparison of rates charged in cities of equivalent size. In that regard I may say that the rates charged are equivalent to those charged in other places across Canada. I was just trying to get the record straight for the members who were not in the committee.

Mr. Winch: So am I, so give page references in the committee evidence.

Mr. Broome: It seemed as though C.C.F. members were trying to drag out something which was pretty bad. This company pays Anglo-Canadian supply company about three-quarters of one per cent, I believe, to do their purchasing. They pay the installation costs.

Now, a great deal was said about United States control. Yes, it is controlled from the United States but the staff is 100 per cent Canadian and that is a lot more than can be said about other companies which are controlled from the United States. The company is operated for the good of the province and it is operated by Canadians. I believe it is operated in a right and proper manner.

Mr. Jung: The hon. member for Yorkton earlier asked a question as to the number of times applications had been made to the board of transport commissioners for an increase in tariff rates. My information is that the last increase was made in 1953. There have been no applications since that time. I believe that in the last ten years that has been the only application. I say that subject to confirmation from the head office in Vancouver.

Mr. Castleden: What was the amount of the increase in 1953?

Mr. Jung: I shall include that in my reply.

Mr. Stanton: Are there any more than two telephone companies in British Columbia, that is, the Okanagan Telephone Company and the British Columbia Telephone Company?

Mr. Jung: There are other smaller ones, but their activities are confined more to the interior of British Columbia.

Mr. Stanton: Far be it from me to anticipate the time when all independent telephone companies will be out of existence, yet I believe the committee fully realizes that these independent telephone companies which we have across Canada form the only competition which the larger companies have. I believe also that we are of the opinion we should not put anything in the way of assisting these different companies, both the larger ones such as the British Columbia Telephone Company and the smaller independent companies, in furthering their services to the people. British Columbia is a rapidly expanding province. We have to realize fully the service the telephone company is required to give. I am sure it is not the desire of any member in this house to block this bill because I am sure its passage will contribute much to the services rendered to the people of British Columbia. In addition, the passage of the bill will contribute much to employment across that province. I am sure that when this bill is passed the company will immediately promote the installations which will give better service to the residents of that province.

Clause agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

RIO DE JANEIRO TRAMWAY, LIGHT AND POWER COMPANY, LIMITED

The house in committee on Bill No. 31, respecting the Rio de Janeiro Tramway, Light and Power Company, Limited—Mr. Morton—Mr. Casselman in the chair.

Clause 1 agreed to.

On clause 2—

Mr. Bell (Carleton): Section 2 contains a provision requiring the change of head office of the company to be sanctioned by the unanimous vote of all the shareholders present in person or represented by proxy at a special general meeting of shareholders duly called for the purpose at which at least 99 per cent of all the issued and outstanding shares in the capital stock of the company are represented. It seems to me that this constitutes a rather extraordinary provision to require, for any corporate action, the unanimous vote

of the shareholders. There may be some special reason for such provision in this bill and the companion bills, and I wonder if the sponsor could tell us what the reason may be.

Mr. Morton: Perhaps it may sound rather a stringent regulation, but under the circumstances, since this company and the two other subsidiary companies mentioned in the other bills are solely owned by the Brazilian Traction, Light and Power Company Limited, there is no practical problem that arises. This company owns all the shares and therefore, I presume, they have the complete say. I suppose if there were circumstances where there were a number of shareholders we should perhaps look into the principle involved to see if it were too stringent.

Clause agreed to.

Clauses 3 and 4 agreed to.

On the preamble—

Mr. Castleden: Before the preamble carries, would the hon. member state when this company was incorporated in Canada, and whether or not the shareholders of the stock in Canada are protected under the new regulation or does complete control of this company now transfer to Brazil?

Mr. Morton: Mr. Chairman, perhaps I might explain again that the three companies referred to in the first three bills are subsidiaries of the Brazilian Traction Light and Power Company Limited. They are completely owned by this company. There are no other Canadian shareholders except the head office in Toronto. The other shareholders indirectly concerned would be the shareholders of the parent company. Does that answer the question?

Mr. Castleden: Yes. I should like to know about the holders of these shares. Are these shareholders now living in Canada, and how are their interests protected in case the company's head office is moved to Brazil?

Mr. Morton: I presume the hon. gentleman is referring to the shareholders of the parent company?

Mr. Castleden: That is right.

Mr. Morton: The only thing I can say in that respect is that in the past the complete assets of the company have been in Brazil. There is no change in respect to the assets. The only difference is that for the purpose of financing in Brazil the three subsidiaries have had to change their head office to Brazil. There is no practical difference, as a result of that, as to the security of the assets of the company than there is at the present time. If, for instance, the Brazilian government were to expropriate or take some action in respect of the assets now, there would be no difference so far as the parent company is concerned and its shareholders than if that had happened before this transfer.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

SAO PAULO ELECTRIC COMPANY, LIMITED

The house in committee on Bill No. 32, respecting Sao Paulo Electric Company, Limited—Mr. Morton—Mr. Casselman in the chair.

Clause 1 agreed to.

On clause 2—

Mr. Castleden: I have a question I should like to ask the sponsor of this bill. Is this company the same as the one that is referred to in the explanatory note of the previous bill? The explanatory note says:

> The head offices of two of the companies associated with this company in operations in Brazil have already been transferred from Canada to Brazil pursuant to legislative authority given in Canada by chapter 74 of the statutes of 1953-54 relating to Brazilian Telephone Company and chapter 126 of the Statutes of Ontario, 1954, relating to The Sao Paulo Light and Power Company, Limited—

Is the Sao Paulo Light and Power Company, Limited referred to the same as the Sao Paulo Electric Company Limited?

Mr. Morton: No. That is another subsidiary which already had been transferred at the date mentioned. I believe that company was a provincial company of Ontario.

Clause agreed to.

Clause 3 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

DIVORCE BILLS

The Deputy Chairman: There are a considerable number of divorce bills. I think it is customary that they be called in a group. Does that meet the wishes of the committee?

Some hon. Members: Agreed.

Mr. Castleden: What is the request, Mr. Chairman? Is the request that these bills be approved together?

The Deputy Chairman: Yes. That is what I asked the committee.

Mr. Castleden: I should like to have these bills called individually, if possible.

The Deputy Chairman: Very well.

CLAUDINE YVETTE FELICITE CAVALLERO NEELY

The house in committee on Bill No. 37, for the relief of Claudine Yvette Felicite Cavallero Neely—Mr. Rea—Mr. Casselman in the chair.

Clauses 1 and 2 agreed to.

On the preamble:

Mr. Castleden: I wonder whether the sponsor of this bill can tell us whether any children are involved in this family and what provision has been made for them.

Mr. Rea: I do not know what provision has been made for the children.

Mr. Castleden: I beg the hon. member's pardon?

Mr. Rea: I do not know what provision has been made.

Mr. Castleden: The hon. member does not know that. Would he know whether or not any children were involved in this case?

Mr. Rea: I would have to get that particular bill and look at it.

Mr. Castleden: The hon. member has no information on that matter?

Mr. Rea: I saw it when I read the bill but I cannot remember the particulars of every individual bill. I am sure the hon. member must realize that.

Mr. Castleden: Since the hon. member is sponsoring so many of them I thought perhaps he might be able to inform us. It is a matter of considerable importance.

Mr. Rea: If you give me time to look into the matter I can tell you. I have checked every one.

Mr. Castleden: Can the hon. member assure us that no children are involved?

Mr. Rea: I cannot assure the committee of that.

Mr. Castleden: And if there are any, can he tell us what provision has been made for them?

Mr. Rea: I do not know.

Mr. Castleden: You are not aware of that?

Mr. Rea: No. I have not the bill in front of me.

Mr. Knowles (Winnipeg North Centre): No reference will be made to that matter in the bill; it would be in the evidence.

[The Deputy Chairman.]

Mr. Rea: I say that I do not know. I have not the bill in front of me. It is in my office.

Mr. Castleden: You are just sponsoring it.

The Deputy Chairman: Shall the preamble carry?

Some hon. Members: Carried.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

RONALD VICTOR TURNER

The house in committee on Bill No. 39, for the relief of Ronald Victor Turner—Mr. Rea—Mr. Casselman in the chair.

On clause 1—*Marriage dissolved.*

Mr. Knowles (Winnipeg North Centre): May I ask the hon. member for Spadina whether any of these 64 bills which are now being put through the committee of the house was considered separately in the committee on miscellaneous private bills?

Mr. Rea: These bills were considered en bloc in the committee. Three of us read them all individually. Of these bills that are now in the committee, none was contested. That is why they were passed en bloc in the committee; none of them was contested.

Mr. Knowles (Winnipeg North Centre): When we were at second reading of divorce bills a week ago today, one of the members on the government side of the house suggested that there was a piece of fraud in connection with one of the bills. Was that matter looked into by the committee?

Mr. Rea: It was never brought up at the committee.

Mr. Knowles (Winnipeg North Centre): The committee does not seem to be working very hard on this matter.

Mr. Rea: I did not hear that remark.

Mr. Hansell: I happen to be a member of the miscellaneous private bills committee, and I can assure my friend the hon. member for Winnipeg North Centre that the committee has worked fairly hard. When we met the other day we had several other bills to consider and we jointly agreed that since there was no particular difference between any of these bills, we could save time by taking them all together. In fact, I think we could save time this afternoon by doing the same thing. The hon. member for Yorkton and the hon. member for Winnipeg North Centre have asked a few questions. I do not like to be mean to anyone or to any party, but I would suggest that perhaps they could save time if

they asked their members who were on the miscellaneous private bills committee exactly what happened in the committee. I would suggest that they do that, if they care to do it. Then they would find out a great deal more than they are asking here. I am just making that suggestion to them.

Mr. Bell (Carleton): Would the hon. member tell the committee how many members of the C.C.F. party attended that committee?

Mr. Hansell: I try not to be mean and I put the matter in another way. I think if you look at the minutes you will find that information given. I am sorry; there are no written minutes kept for that meeting. But I am sure if you telephone the clerk of the committee he will give you the names of those who were present.

The Deputy Chairman: In view of the plea made by the hon. member for Macleod, is it the wish of the committee, by unanimous consent, that all of these divorce bills be taken together?

Some hon. Members: Agreed.

Mr. Castleden: No. In view of the very kind remarks of the hon. member for Macleod, I should like to point out to him that for a good many years we have objected to the procedure of having divorces dealt with in this house in this manner. It is not good for the house and I do not think it is good for parliament, and we have said so on a number of occasions. We can only continue to voice our objections. We can only continue to say that we dislike this procedure and that we think it would be a good thing to have divorces taken away from parliament altogether. We have revealed on a number of occasions that collusion and other corrupt practices occurred in divorce cases.

An hon. Member: What corrupt practices?

Mr. Castleden: Such as, for instance, evidence that has been given by persons who are scarcely qualified to give it. In a number of cases we have been able to stop what I think was a very grave injustice or what would have proved to be a very grave injustice when we blocked this kind of thing and stopped certain of the bills going through the house. Some day the house will take this matter under consideration and perhaps will take this procedure with respect to divorce away entirely from the parliament of Canada. The parliament of Canada is not constituted to act as a court.

But the evidence over the years has shown that these things are wrong and we are merely making a further objection. I would like to say for the benefit of the hon. member who is sponsoring some 150 of these bills that sometimes people get wrong impressions, even about members of parliament. I was talking to a person who wanted to know whether the sponsor of the bills was paid for the sponsoring thereof in the house. He was under the impression that somebody was presenting a—

Mr. Rea: On a point of privilege, Mr. Chairman, I want to make this quite clear. As chairman of the private bills committee, I have acted as sponsor of these bills, for which function I have not been paid. I cannot answer for the other chairmen although I am sure that they have not received payment either. I am sure the hon. member for Yorkton already knows this, but if he does not, let me once again make it clear that I am not being paid, and I am sure the other chairmen of this committee before me were not paid. They were doing this strictly as a matter of convenience for people in these two provinces who could not get relief in their own provinces. We felt that there should not be a penalty to them because they happened to live in a province where they could not get such relief.

Mr. Castleden: I am very glad to have that information. As a matter of fact this is something which needed clearing up and it does show how things can get tangled and how a wrong impression can be gained of this house through the actions of the committee. People are under that impression; as a matter of fact, the person I mentioned received a bill from the lawyer for the carrying out of this divorce, and among the items in the statement appeared an item, in this case I think for $50, for the sponsoring of the bill in the house. I think discussion of this kind would be well advised in order to clear up this kind of misunderstanding and I feel that the hon. member's statement today has been a valuable service in order to make it known that no such payments are made in respect of sponsoring these bills, in so far as he is concerned. For these reasons I feel a debate on the divorce bills is a good thing. In this case we are passing, as I say, about 150 cases appearing on the order paper and I do not think it is good for parliament to have them passed en bloc. Furthermore I do not think it is good for parliament to have them here at all.

Section agreed to.

On section 2

Mr. Patterson: I would like to say a word with respect to the remarks just made by the hon. member who has just resumed his seat. The hon. member states that sometimes people get the wrong impression, even of

members of parliament. I think perhaps a contribution has been made to such misunderstandings this afternoon by the hon. member for Winnipeg North Centre when he suggested that it did not look as though the members of the committee had worked very hard on some of these things.

I would just like to say that I am a member of this committee, and it is the first time I have served on this particular committee. I thought the members did apply themselves but I would like to make this observation: Those who have raised this issue are hardly in a position to say whether or not the members of the committee did perform their work well.

Mr. Knowles (Winnipeg North Centre): Would the hon. member for Fraser Valley tell us how many minutes the committee spent in dealing with these 64 cases?

Mr. Sinclair: That is a good question.

Mr. Patterson: I am not sure, Mr. Chairman, but I would, through you, assure the hon. member for Winnipeg North Centre that a considerable amount of time was devoted to the discussion of the bills and the procedure which was followed. Furthermore, had some other members been present at the time they could have relayed this information to the hon. member who is asking the question.

Section 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Mr. Castleden: I would like to ask the sponsor of these bills whether or not he can find out by the time when the house next sits on these private bills if provision is being made to take care of the children who might be involved in any of these cases.

Mr. Rea: In answer to the question of the hon. member I would like to say that that is a provincial matter and if he will read the bills he will find out whether or not there are any children involved.

Mr. Sinclair: Oh, they are learning fast over there.

Mr. Rea: I do not sponsor these bills so much as I am being used as a vehicle for the benefit of all members in facilitating their passage through this house.

Some hon. Members: Hear, hear.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 33, respecting Brazilian Hydro Electric Company, Limited.—Mr. Morton.

[Mr. Patterson.]

Bill No. 34, respecting Brazilian Traction, Light and Power Company, Limited.—Mr. Morton.

Bill No. 36, for the relief of Joseph Alfred Victor Tasse.—Mr. Rea.

Bill No. 38, for the relief of Evelyn Thelma Passineau Uyeda.—Mr. Rea.

Bill No. 40, for the relief of Charles Frederick Church.—Mr. Rea.

Bill No. 41, for the relief of Sarah Sally Abramovici Schor.—Mr. Rea.

Bill No. 42, for the relief of Eunice Kennedy Standeven.—Mr. Rea.

Bill No. 43, for the relief of Kathleen Louise Blaylock Hall Dunning.—Mr. Rea.

Bill No. 44, for the relief of Mary Hilbert Madge.—Mr. Rea.

Bill No. 45, for the relief of Marthe Helene Le Bel Champion.—Mr. Rea.

Bill No. 46, for the relief of Elizabeth Dermer Boyd.—Mr. Rea.

Bill No. 47, for the relief of Clarice Mendell Uditsky.—Mr. Rea.

Bill No. 48, for the relief of Dorothy Elizabeth Allen Bellenger.—Mr. Rea.

Bill No. 49, for the relief of Mildred Weiner Gordon.—Mr. Rea.

Bill No. 50, for the relief of Theresa Mary Moran Redmond Cooke.—Mr. Rea.

Bill No. 51, for the relief of Siegmund Paul Fritz Matthes.—Mr. Rea.

Bill No. 52, for the relief of Lillian Boyce Suttner.—Mr. Rea.

Bill No. 53, for the relief of Helen May Verner Joyce.—Mr. Rea.

Bill No. 54, for the relief of Lila Redmond McCorriston.—Mr. Rea.

Bill No. 55, for the relief of Phyllis Freda Sabbath Isaacson.—Mr. Rea.

Bill No. 56, for the relief of Marguerite Lavoie Jolin.—Mr. Rea.

Bill No. 57, for the relief of Margaret Lillian Mackenzie Smallwood.—Mr. Rea.

Bill No. 58, for the relief of Edith Elizabeth Altherr Thompson.—Mr Rea.

Bill No. 59, for the relief of Jean Marc Marceau.—Mr. Rea.

Bill No. 60, for the relief of Moe Boxerman. —Mr. Rea.

Bill No. 61, for the relief of Marilyn Joan O'Bryan Watson.—Mr. Rea.

Bill No. 62, for the relief of Irene Elsa Rubin Cohen.—Mr. Rea.

Bill No. 63, for the relief of Sally Baker Golding Rohrlich.—Mr. Rea.

Bill No. 64, for the relief of Jerzy Dzynaw. —Mr. Rea.

Bill No. 65, for relief of Pauline Mechanik Winterfeld.—Mr. Rea.

Bill No. 66, for the relief of Gennie Loza Jarvis.—Mr. Rea.

Bill No. 67, for the relief of James Keith. —Mr. Rea.

Bill No. 68, for the relief of Michal Rybikowski.—Mr. Rea.

Bill No. 69, for the relief of Beverley Joan Abbott Reid.—Mr. Rea.

Bill No. 70, for the relief of Mark Astman. —Mr. Rea.

Bill No. 71, for the relief of Karl Schubert. —Mr. Rea.

Bill No. 73, respecting Mexico Tramways Company.—Mr. Vivian.

Bill No. 74, for the relief of Norma Leibovitch Ryer.—Mr. Rea.

Bill No. 75, for the relief of Manola Mainville Lefebvre.—Mr. Rea.

Bill No. 76, for the relief of Anne Marie Fontaine Brien.—Mr. Rea.

Bill No. 77, for the relief of Joyce Hahn Maiste.—Mr. Rea.

Bill No. 78, for the relief of Joseph Fabien Marcel Perras.—Mr. Rea.

Bill No. 79, for the relief of Elizabeth Geroux Touchette.—Mr. Rea.

Bill No. 80, for the relief of Conrad Donat Joseph Bouffard.—Mr. Rea.

Bill No. 81, for the relief of Claire Lenoff Schecter.—Mr. Rea.

Bill No. 82, for the relief of Gun Elsa-Maria Stridh Zukrowski.—Mr. Rea.

Bill No. 83, for the relief of Dorothy Maureen Allan Cybuliak.—Mr. Rea.

Bill No. 84, for the relief of Lita Eleanor Ciceri Desrochers.—Mr. Rea.

Bill No. 85, for the relief of Gwendoline Georgina Adelaide McNamee Phillips.—Mr. Rea.

Bill No. 86, for the relief of Robert James Beakes.—Mr. Rea.

Bill No. 87, for the relief of Elizabeth Ann Vedder Chadwick.—Mr. Rea.

Bill No. 88, for the relief of Osbourne Denzil St. Martin.—Mr. Rea.

Bill No. 89, for the relief of Elizabeth Janet Davidson Blacklock.—Mr. Rea.

Bill No. 90, for the relief of Mary Isabel Bristow Livingston.—Mr. Rea.

Bill No. 91, for the relief of Zelda King Neuss.—Mr. Rea.

Bill No. 92, for the relief of Lena Therese Dean Lauzon.—Mr. Rea.

Bill No. 93, for the relief of Sydney Wagner. —Mr. Rea.

Bill No. 94, for the relief of Margaret Williams Mullins.—Mr. Rea.

Bill No. 95, for the relief of Donald Ernest Lamont.—Mr. Rea.

Bill No. 96, for the relief of Margo Jean Thornton Savard.—Mr. Rea.

Bill No. 97, for the relief of Marie Reina Pauline Duquette Cottier.—Mr. Rea.

Bill No. 98, for the relief of Molly Gloria Goldman Mencher.—Mr. Rea.

Bill No. 99, for the relief of Marie Marguerite Eugenie Lucie Prevost Dorfman.—Mr. Rea.

Bill No. 100, for the relief of Florence Hewitt Scribner Hartt.—Mr. Rea.

Bill No. 101, for the relief of Mona Areta Emsley Forbes.—Mr. Rea.

BUSINESS OF THE HOUSE

Mr. Marler: What business will the house be taking up on Monday?

Mr. Green: Mr. Speaker, Monday will be private members' day and on Tuesday we propose to take legislation including the following: No. 11 on today's order paper which is a resolution preceding a bill to provide for the construction of a branch line of the Canadian National Railway Company. The intention is to send that bill to the standing committee on railways, canals and telegraph lines. We shall try to make copies of the bill available to the leaders of the three opposition parties on Monday in the hope that it could get second reading on Tuesday and be referred to the committee. Then the resolution which is order No. 14 on today's order paper. That has to do with a bill to provide for loans to the Hamilton harbour commissioners and the remarks I made with regard to the first resolution also apply to this second one.

We then propose taking the bill which is No. 5 on today's order paper, the second reading of a bill to amend the Canadian Vessel Construction Assistance Act. That bill is particularly complicated and the intention is to refer it to the same standing committee. Then, second reading of the bill which is order No. 4 on today's order paper, an act to amend the Canadian and British Insurance Companies Act.

Mr. Marler: That is not No. 4, is it?

Mr. Green: I am sorry; it is order No. 6 on today's order paper. It is No. 4 on my list. The proposal is to refer it to the standing committee on banking and commerce.

We then propose taking four resolutions on the order paper. I am not sure in which order they would be taken but they include item No. 12 on today's order paper, a resolution dealing with the Export Credits Insurance Act; No. 16 on today's order paper, dealing with the National Housing Act; No. 9 which is the resolution in which the hon. member for Assiniboia has been so interested—

Mr. Sinclair: Hear, hear.

Mr. Green: —and then the resolution which appears on today's *Votes and Proceedings* providing for a loan to the province of New Brunswick in respect of the Beechwood project.

Mr. Marler: It seems to me there is a certain amount of optimism in the mind of the leader of the house.

Mr. Nowlan: It characterizes every house leader at this stage.

Mr. Green: I am a little afraid of that myself.

Mr. Marler: Would the hon. gentleman say which of these resolutions he would wish to take up first because they cover quite a lot of ground and I think a number of hon. members would be interested in one but not necessarily in the others.

Mr. Green: I think in the order in which I called them but I cannot be sure with regard to the last four resolutions to which I referred.

On Wednesday we propose to move to go into interim supply and then carry on to finish off those items to which I referred earlier. On Thursday we propose to take estimates commencing with the estimates of the Department of National Defence.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, perhaps I might be permitted to say a word in view of the line-up of business for next week which has been announced by the house leader. I think it is appropriate for me to say that through the usual channels there have been negotiations about the business of the house and as the house leader knows there is a definite change in this line-up for next week from what I thought we had agreed to. I refer in particular to the announcement for Tuesday. I thought it had been understood that next week and the week after, like the week we have just had, would be marked by private members' day on Monday and a supply motion on Tuesday. Now if the government has decided not to move a supply motion on Tuesday as was planned and if it is not made up in some other way later on, we may have to reconsider our position as to the basis of agreement on which we have been trying to work.

I do not make any definitive statement to the minister just now but I thought it should be clear that this does represent a change, as the minister knows, and we may have to give further consideration to our attitude toward the plans for the business of the house in the weeks that lie ahead.

Mr. Green: There has been this difficulty arise in connection with next week, that we must get interim supply, and I did not want to be put in the position that we would spend Tuesday on a supply motion and then on Wednesday ask for interim supply with the result that none of these legislative measures to which I have referred could be considered next week.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think it should be kept clear that there is a difference between a supply motion such as we counted on for Tuesday and interim supply. None of us of course can speak for the entire house but I doubt very much whether there will be any extended debate—perhaps there will be no debate at all—on the motion for interim supply. As a matter of fact there will not be a motion to go into committee for interim supply; that is done without the question put; but the other matter, the supply motion, is one of the rights spelled out in the rules of this house. We are entitled to six of these motions in a session of parliament and the debate is to consist of two days on each of those six motions. We have already agreed to cut down the number from six to something less. We have already agreed to take only one day rather than two for some of those motions. We are a bit concerned at unilateral changes that seem to detract still further from our rights in this session.

Mr. Green: Well, Mr. Speaker, I think there has been very good co-operation between the parties thus far.

Mr. Knowles (Winnipeg North Centre): That is right, Mr. Speaker, and we would like to keep it that way.

Mr. Green: I am sure that will continue for the rest of the session.

Mr. St. Laurent (Quebec East): I think that for this group we would be very anxious to have the resolution that is No. 9 on today's order paper considered and the bill that will follow it made available for consideration at an early date. I think that would probably also suit the convenience of hon. members of other groups because there have been requests or suggestions from them with respect to this bill that is to be provided for by the resolution that is No. 9 on the order paper of today.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, what the Leader of the Opposition says is quite correct and if the house leader in proposing the legislation for Tuesday had suggested that order No. 9 would come first rather than seventh the remarks I have just made might have been a little different.

Mr. Green: I think the hon. member for Winnipeg North Centre must still leave us the responsibility of deciding in what order we will call government business.

Mr. Knowles (Winnipeg North Centre): As the house leader has said there has been a high degree of co-operation and agreement among the parties as to the order of business and I hope we can keep it that way.

It being twelve minutes after 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:

HUNGARIAN REFUGEES—ONTARIO AGREEMENT

Question No. 158—**Mr. Pickersgill:**

1. Has any settlement been reached with the government of Ontario regarding the financing of Hungarian refugees?
2. If so, what is the basis of such settlement and how does it compare with the agreement with the government of Saskatchewan?
3. If not, have there been any discussions with the government of Ontario since June 21, 1957, looking toward such a settlement?

Answer by: **Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration):**

1. No.
2. See answer to question No. 1.
3. Yes.

WHEAT DELIVERIES TO U.S.S.R.

Question No. 217—**Mr. Tucker:**

1. How much wheat has been taken delivery of by the U.S.S.R. since the trade agreement made between Canada and the U.S.S.R.?
2. How much was taken in each year since the signing of said agreement by the U.S.S.R.?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. The total exported to the U.S.S.R. up to and including November 21, 1957, is 16,805,886 bushels.

2. Under the terms of the agreement, the U.S.S.R. undertook to purchase from Canada between 1,200,000 and 1,500,000 metric tons of wheat in annual amounts between 400,000 and 500,000 metric tons. The first year of the agreement commenced on February 29, 1956, the second year on February 28, 1957 and the third year of the agreement will commence on February 28, 1958. During the first year of the agreement, U.S.S.R. took delivery from Canada of 14,790,447 bushels (402,530.0 metric tons). During the second year of the agreement U.S.S.R. has taken delivery to date of 2,015,439 bushels (54,851.2 metric tons).

FEDERAL BUILDING, THETFORD MINES, QUE.

Question No. 235—**Mr. Lafontaine:**

1. Has the Department of Public Works called public tenders for the extension and addition work to the public building at Thetford Mines, 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, their respective addresses, and what amount was submitted by each one for carrying out of such work?
4. Was the contract awarded?
5. If so, to whom and on what date?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Yes.

2. Tenders called on May 31, 1957. Tenders opened on July 10, 1957.

3. The only tender received was from: Amedee Laflamme and L. W. Lafleur, Thetford Mines, P.Q. The amount of tender—$118,365.

4. Yes.

5. Contract awarded to Amedee Laflamme and L. W. Lafleur on November 4, 1957.

[The following items were passed in committee of supply]:

DEPARTMENT OF VETERANS AFFAIRS

497. Departmental administration, $2,304,705.
498. District services—administration, $3,030,973.
499. Veterans' welfare services, $3,299,325.

Treatment services—

500. Operation of hospitals and administration, including authority for payments, during the current and subsequent fiscal years, to canteen funds of departmental hospitals in amounts equal to amounts of commissions received by or on behalf of Her Majesty from pay telephones in such hospitals, $44,368,445.
501. Medical research and education, $400,000.
502. Hospital construction, improvements, equipment and acquisition of land, $4,652,500.
503. Prosthetic services—supply, manufacture and administration, $1,129,114.
504. Veterans' bureau, $569,682.
505. War veterans allowance board—administration, $136,054.
506. Veterans insurance, $76,100.

War veterans allowances and other benefits—

507. War veterans allowances, $45,376,000.
508. Assistance fund (war veterans allowances), $775,000.
509. Treatment and other allowances, $2,700,000.

Miscellaneous payments—

510. To provide for payments to the Last Post fund; for the payment under regulations of funeral and cemetery charges, including the perpetual care of graves where applicable; for the cost and erection of headstones in Canada; for the maintenance of departmental cemeteries; for the maintenance of Canadian battlefields memorials in France and Belgium and for Canada's share of the expenditures of the Imperial War Graves Commission, $1,378,800.
511. Grant to army benevolent fund, $8,000.
512. Grant to Canadian Legion, $9,000.

Canadian pension commission—

513. Administration expenses, $2,427,282.
514. Pensions for disability and death, including pensions granted under the authority of the Civilian Government Employees (War) Compensation Order, P.C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; and including Newfoundland special awards, $131,033,000.
515. Gallantry awards—world war II and special force, $21,500.

Soldier Settlement and Veterans' Land Act—

516. To provide for the cost of administration of Veterans' Land Act; soldier settlement and British family settlement, $5,029,545.
517. To provide for the upkeep of property, Veterans' Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property; taxes, insurance and maintenance of public utilities, $63,000.
518. To provide for the payment of grants to veterans settled on provincial lands in accordance with agreements with provincial governments under section 38 of the Veterans' Land Act and payment of grants to veterans settled on dominion lands, in accordance with an agreement with the Minister of Northern Affairs and National Resources under section 38 of the Veterans' Land Act, $200,000.
519. To provide for the payment of grants to Indian veterans settled on Indian reserve lands under section 39 of the Veterans' Land Act, $100,000.
520. To provide for the reduction of indebtedness to the director of soldier settlement of a settler in respect of a property in his possession, the title of which is held by the director, or such soldier settler loans which are administered by the Indian affairs branch of the Department of Citizenship and Immigration, by an amount which will reduce his indebtedness to an amount in keeping with the productive capacity of the property or his ability to repay his indebtedness under regulations approved by the governor in council, $2,500.
521. To authorize and provide, subject to the approval of the governor in council, for necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act to correct defects for which neither the veteran nor the contractor can be held financially responsible and for such other work on other properties as may be required to protect the interest of the director therein, $5,000.

Terminable services—

522. Veterans benefits, including assistance and the training of certain pensioners under regulations approved by the governor in council, $1,252,845.
523. To provide for the repayment in such amounts as the Minister of Veterans Affairs determines, not exceeding the whole of an amount equivalent to the compensating adjustment made under subsection (1) of section 13 of the War Service Grants Act or the payment made pursuant to paragraph (c) of subsection (2) of section 12 of the Veterans Rehabilitation Act, where the person who made the compensating adjustment or payment does not receive benefits under the Veterans' Land Act or where, having had financial assistance under that act, he is deemed by the minister on termination of his contract or agreement under that act to have derived thereunder either no benefit or a benefit that is less than the amount of the compensating adjustment or payment made, $225,000.

Loans, investments and advances—

Soldier Settlement and Veterans' Land Act—

536. To provide for protection of security—soldier settlement, and refunds of surplus to veterans, $7,300.
537. To provide for purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment; and for protection of security under the Veterans' Land Act, $18,152,300.

War veterans allowances and other benefits—

669. To provide, effective the 1st day of July, 1957, that the War Veterans Allowance Act, 1952, is amended by repealing schedules A and B to the said act and substituting therefor the schedules A and B set out in the details of the estimates and the rates mentioned in section 5 of the said act are amended on the same basis, $4,350,000.

Canadian pension commission—

670. To provide, effective the 1st day of July, 1957, that the Pension Act is amended as follows: (a) in subsection (1) of section 30 thereof, the words "fourteen hundred" are struck out and the words "eighteen hundred" are substituted therefor; and (b) schedules A and B to the said act are repealed and the schedules A and B set out in the details of the estimates are substituted therefor, $14,900,000.

Treatment services—

772. Operation of hospitals and administration—further amount required, $700,000.

War veterans allowances and other benefits—

773. Assistance fund (war veterans allowances)—further amount required, $425,000.

Miscellaneous payments—

774. To provide for payments to the Last Post fund; for the payment under regulations of funeral and cemetery charges, including the perpetual care of graves where applicable; for the cost and erection of headstones in Canada; for the maintenance of departmental cemeteries; for the maintenance of

Supply—Items Passed

Canadian battlefields memorials in France and Belgium and for Canada's share of the expenditures of the imperial war graves commission—further amount required to provide for production of books of remembance, $10,000.

Canadian pension commission—

775. Administation expenses—further amount required, $25,000.

Soldier Settlement and Veterans' Land Act—

776. To provide for the payment of grants to veterans settled on provincial lands in accordance with agreements with provincial governments under section 38 of the Veterans' Land Act and payment of grants to veterans settled on dominion lands in accordance with an agreement with the Minister of Northern Affairs and National Resources under section 38 of the Veterans' Land Act—further amount required, $40,000.

Terminable services—

777. To provide for the repayment in such amounts as the Minister of Veterans Affairs determines, not exceeding the whole of an amount equivalent to the compensating adjustment made under subsection (1) of section 13 of the War Service Grants Act or the payment made pursuant to paragraph (c) of subsection (2) of section 12 of the Veterans Rehabilitation Act, where the person who made the compensating adjustment or payment does not receive benefits under the Veterans' Land Act or where, having had financial assistance under that act, he is deemed by the minister on termination of his contract or agreement under that act to have derived thereunder either no benefit or a benefit that is less than the amount of the compensating adjustment or payment made—further amount required, $40,000.

Loans, investments and advances—

Veterans affairs—

780. To authorize the making of a loan by the Minister of Veterans Affairs to William J. Edwards, a veteran of world war I, in the amount of $1,000, such loan to be repayable on demand by the minister and to be made on the security of a mortgage acceptable to him, executed by the veteran and his wife and registered as a first charge on a parcel of land held by the veteran and his wife as joint tenants and described in the land registry office, New Westminster, British Columbia, as lot 13, block 14, northwest quarter of section 11, township 1, plan 14124, New Westminster district, $1,000.

HOUSE OF COMMONS

Monday, December 2, 1957

The house met at 2.30 p.m.

SPORTS

FOOTBALL—CONGRATULATIONS TO HAMILTON TIGER-CATS ON WINNING GREY CUP

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I be permitted to offer wholehearted congratulations to the Hamilton Tiger-Cats on winning the Grey cup? I was there rooting for the other side, but Hamilton won; there is no doubt about that. As for the Winnipeg Blue Bombers, we are still very proud of them. In football, as in elections, there is always the next one. Watch out for it.

BUSINESS OF THE HOUSE

MOTION TO EXTEND HOURS OF SITTING—STATEMENT AS TO FURTHER LEGISLATION

Hon. Howard C. Green (Minister of Public Works) moved:

That, commencing on Wednesday next, December 4, 1957, and thereafter until the end of this session, the hours of sitting on Wednesdays, Thursdays and Fridays shall be from 11 a.m. until 10 p.m. with the usual intermission at 1 p.m. and 6 p.m. daily.

That the house shall sit from 11 a.m. until 6 p.m. with an intermission at 1 p.m. on Saturday, December 7 next, and on every Saturday thereafter until the end of the session: that the order of business and procedure on Saturdays shall be as for Thursday (government day) and

That the provisions of standing orders 2 (1) and 6 (3) shall be suspended in relation thereto.

Right Hon. L. S. St. Laurent (Leader of the Opposition): Mr. Speaker, I had hoped, and I know the hope is shared by many on this side of the house, that the Prime Minister would be informing us about the additional legislation that is to be brought before parliament during this session before we had to deal with the motion extending the time for the consideration of that business. If it would be convenient for the Prime Minister to give us that information, we would be obliged to him.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the other day the Leader of the Opposition asked what additional items of legislation, over and above those already on the order paper, the government hoped would be introduced and considered at this session. The additional items which we have in mind are as follows: An amendment changing the basis for contributions in respect of unemployment assistance; a bill to authorize a loan to the government of New Brunswick for the Beechwood development and also in that connection, provided an agreement is arrived at between the government of Saskatchewan and the dominion government, the necessary legislation respecting the South Saskatchewan dam and irrigation project.

At the very earliest opportunity I intend to move a motion respecting the rule on closure. There will be a bill dealing with the power program in the Atlantic provinces and also, following negotiation and I hope before the session concludes, the necessary bill to provide adjustment grants to the Atlantic provinces. There are one or two taxation measures which will receive attention and an amendment to the Indian Act to prevent the possibility of Indians who are resident on reservations and were so resident prior to a certain date having their names removed from the band rolls. In the same connection, provided there is time, there will be an amendment to the citizenship act to remove the discrimination that now exists as between natural born and naturalized citizens in connection with the loss of citizenship.

Then there is a very important bill which we realize cannot be considered in full at this time. Indeed, I doubt whether we will have time for any consideration, but the matter has been given very considerable attention. I refer to the new estate tax act. That bill will contain many sections and I feel, with a view to giving members of the house and interested persons across the country an opportunity to give the fullest study to the various sections, that we should go no further than to give the bill first reading. This would enable consideration to be given between the present session and an ensuing session, and as a result of any representations made during the interval further changes might be made in connection with the suggested amendments or changes to the existing law.

Mr. Daniel McIvor (Fort William): I should like to ask a supplementary question. Is there any consideration or legislation intended to increase the pensions of retired civil servants?

Mr. Sinclair: No answer?

Mr. Diefenbaker: I have already stated on a previous occasion that the matter is receiving most careful consideration. There are many details that require to be ironed out

and anomalies that will be created which have made necessary the most careful study of the matter, and as soon as we are in a position to present the legislation covering that matter, parliament of course will have the matter brought before it.

Mr. McIvor: Thank you; we are expecting it.

Mr. Stanley Knowles (Winnipeg North Centre): I should like to ask a question concerning one item in the list the Prime Minister just gave us. He referred to certain measures having to do with taxation. Would those measures be in lieu of a budget or would they be measures that would grow out of a budget? Would he be more specific about what he had in mind when he made that reference?

Mr. Diefenbaker: In looking over the records of parliament throughout the years, I find there have been several occasions, and in particular when second sessions have taken place in the same year, when no budget has been introduced. This was the case in the second session of 1873; in the second session of 1919; in the second session of 1930, which was the first session under the new government. Then it will be recalled also that in December, 1947, there was no budget but there were extensive fiscal changes. Mr. Abbott made the announcement and named special tariff increases, and in implementing them he simply made a motion on going into committee of ways and means.

In so far as changes in the income taxes are concerned, those changes could be made by notice; and in my opinion the few changes that will be made, having regard to the shortage of time available and the fact that this is the second session this year and in the main to the fact that consideration is to be given to the estimates prepared and advanced by the former government, we feel that a formal budget is not necessary at this time.

Mr. St. Laurent (Quebec East): Mr. Speaker, the members of this party, as we have stated from the beginning of the session, are anxious to co-operate to have the house deal with the business that requires to be dealt with at this time, and we will make no objection to this extension of the hours and even the days of sittings. However, we express the hope that good use will be made of the additional time.

We wish to mention particularly, as I mentioned on Friday, the anxiety of the Canadian public to have brought down at the earliest possible moment the legislation dealing with the fixation of floor prices for agricultural products. We hope that legislation will be brought in at an early date so it may get the consideration which a matter of that importance deserves under the conditions which exist at the present time.

This subject of taxation is another matter about which there is uncertainty in the public mind which I think is rather detrimental to the economy. Rumours that have circulated in the press have created a situation which has been regarded by some as justification for ceasing production of such things as motor cars which are not being purchased at this time. In view of the possibility of there being a change in the excise tax on motor cars that would make a substantial difference in the price a purchaser would pay, we can all realize that he would be inclined to wait and see whether or not there is going to be that kind of reduction. I would suggest that the government give earnest consideration to removing that uncertainty as early as possible.

The Prime Minister (Mr. Diefenbaker) said there would be one or two acts making changes in taxation. I think everyone remembers what was said during the election campaign, and everyone remembers that in the speech from the throne there was a statement that there would be submitted to us for approval changes in certain taxing statutes. There have also been frequent assertions that the promises made during the election campaign would be implemented. I think hon. gentlemen opposite should feel rather complimented that the public should expect that those promises are going to be implemented and should be acting in a manner which shows that they are waiting to see just how far these changes are going to make it more attractive to indulge in certain purchases.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the tremendous amount of work that is yet to be completed in this session of parliament, we are not going to oppose the suggestion that the hours of sitting be extended. We are here to do a job, and we are prepared to sit whatever hours are necessary.

There is one comment about the hours of sitting that I wish to make before I make the comments which I originally rose to give to the house. That comment is this. A rather unusual situation has developed in the proposing of morning sittings, in that this motion proposes morning sittings for Wednesdays, Thursdays, Fridays and Saturdays but not for Mondays and Tuesdays. The reason for that situation is quite clear. This motion has come much earlier than usually happens in a session, and Mondays and Tuesdays are still available either for private

members' resolutions on Mondays or for supply motions on both Mondays and Tuesdays. There is therefore no advantage to the government in asking us to sit Monday and Tuesday mornings so long as we are dealing with matters which are taken up mainly by private members of the house.

I would suggest to the house leader that if this session continues—as it may well do, in view of the tremendous amount of business yet to be done—to the point where the government wishes to ask us to sit Monday and Tuesday mornings as well, when that time comes consideration might be given to leaving Wednesday mornings clear. I think the Minister of Public Works (Mr. Green) will agree that across the years it has been the practice to leave Wednesday mornings clear for caucuses and other meetings which have to be held. I do not make this request at the moment because we still have Monday and Tuesday mornings clear for these purposes, but I do make that request if the other situation to which I have referred should arise.

Now, Mr. Speaker, the other comment I wish to make is that it seems to me the government should realize that this session is not just, as government spokesmen are so often wont to say, a session for the purpose of cleaning up items left over from the session that met here from January to April for this year. That is an excuse used by the government quite frequently for putting the pressure on us to speed up so far as the consideration of the estimates are concerned.

I think it should be pointed out that the main estimates which are before this house were presented to this session of parliament by the present government. The present government may say that it was the former government which prepared them, but it is the present government which laid them before parliament and it is the present government which is spending the money. Therefore as long as the present government has to take the responsibility for this money this present parliament has the right to discuss those estimates which the government has told us, time and time again, we must rush through and get out of the way so we can get on with legislation.

I find there is also a popular notion abroad —and I might say quite frankly that some of the new members have expressed this notion to me when we chat out in the halls and in the cafeteria—that we are duplicating, so far as estimates are concerned, discussions we had in the last session of parliament. I have checked the records very carefully, and I find that in the January to April session we spent about four days on the estimates of the Post Office Department. We completed those estimates and they are not now before us. Other than that, the only time we spent on main estimates between January and April of this year consisted of ten minutes on February 22, which we spent on the estimates of the Department of Northern Affairs and National Resources, and one hour on March 7 which we spent on the main estimates of that same department. We spent no other time in the whole of last session on the main estimates which were introduced in the last session and which have been reintroduced in this session.

Some hon. members may have it in their minds that we spent time in the committee of supply on agriculture and one or two other departments. That is true, but that was in relation to supplementary estimates for the year before last. I have checked this very carefully and other members can do the same, but I put it again in this very simple statement: that apart from the post office estimates which were completed and are out of the way, the only time in the whole of last session spent on the main estimates which are now before this parliament was one hour and ten minutes spent on the estimates of the Department of Northern Affairs and National Resources.

Let no one say that we are duplicating discussion; let no one say that these estimates should be rushed through. Indeed the Prime Minister is the last person who can say that, because on April 11 of last year, in the last week of the old session, he complained, and I shared his complaint, that no opportunity had been given for a critical examination of the estimates.

The Progressive Conservatives, in opposition as they were then, demanded from the former government an assurance when interim supply bills were put through that we would still have our full rights to discuss the main estimates as fully and as completely as we wished.

The government may say that no one is curtailing our rights but I submit, Mr. Speaker, that every time a minister says we should put the estimates through so we can get along with the legislation, every time there is an appeal for co-operation, an attempt is being made to put these things through without that critical examination which the Prime Minister suggested was so important when he spoke from the other side of the house last April.

Mr. Speaker, I should like also to point out by way of opposition to this demand to rush things through that the way things are now going we are likely to go through two sessions of parliament, the one that started in January and ended in April and this one which started in October and will end heaven

knows when, without having had debates on the motion to go into supply on the number of days which the rules entitle us to have in one session.

This is another point concerning which there are some popular misapprehensions. Only today one hon. member told me that we had spent plenty of time on supply motions last session. No, we did not. The Conservatives complained about that, too. We had only one full dress two-day debate on a supply motion in the last session. An amendment was moved to that motion by the then leader of the opposition with regard to the national development policy of the Conservative party. We had that one two-day debate, at the end of which six departments were put into supply.

There were complaints by Conservatives last session that more of these debates were not permitted. As a result of those complaints, during what was the last week of the last session the former government arranged for a one-day supply debate at the end of which no departments were put into supply. It was simply a day's debate as a vehicle to make it possible for the then leader of the opposition to move his amendment having to do with parity prices. Even if you count that day, which was rather perfunctory, we had only three days in the last session for debates on the motion that Mr. Speaker leave the chair for the house to go into committee of supply.

As far as this session is concerned, the matter has been subject to some negotiations through the usual channels. I indicated on Friday at six o'clock that I was a little disturbed over the way certain things which I thought had been agreed to had been upset. We were, for example, to have had a supply motion tomorrow. I am not going to debate that just now, for despite the fact that agreements seem to have been forgotten, we are still prepared to negotiate. But I doubt whether, in fact, at the end of this session we shall come out with more than seven or eight days of debate on the motion that Mr. Speaker do leave the chair for the house to go into committee of supply. If it is seven, plus three of last session, that will only be ten days in two parliamentary sessions. The rule book provides for at least six debates in each session, each of two days, which makes a total of 24 days for two sessions, or twelve days for one session.

I submit, Mr. Speaker, that our rights are being curtailed. I say to the government across the way that we have no objection to the suggestion that we work longer hours and try to get along with the business before parliament. But I remind the government that one of the reasons they are where they are is that the people of Canada became apprehensive about the way in which the Liberal government was pushing parliament around and denying parliament as a whole and private members in particular some of their basic rights. What is being done is not at all like what was done during the pipeline debate, but it is not a long step from pushing parliament around in little ways to doing it in bigger ways.

I admit that the government has done a number of things this session which show respect for parliament. I suggest—I plead—that there should not be this attempt to tell parliament that it must not spend time discussing the estimates. Second, an attempt to curtail the right to debate motions that Mr. Speaker leave the chair is an attempt to curtail the rights of private members themselves. These things are part of the rights of parliament, and we are just as entitled to them under a Conservative administration as we felt we were under a Liberal administration.

I point out also, Mr. Speaker, that a number of committees will now be sitting. The external affairs committee has already had one meeting; it is to meet on Tuesday, and has arranged a number of meetings through the next few weeks. The house leader announced on Friday evening at six o'clock that a number of measures would be referred to standing committees of the house. Everyone who has been here before knows how difficult it becomes to do the business of the house and the business of committees when they are meeting concurrently. Let us not have added to that any difficulties so far as arranging the business of the house is concerned.

I say to the house leader, despite the difficulties we have had recently over agreements that have been made, that we are still prepared to negotiate so far as the business of the house is concerned, provided that we can come to agreements and stick to those agreements. But if agreements are to be set aside we shall have no option but to fall back on the rules of the house with regard to supply debates being for two days, with regard to the number of departments that can be put in, and so on.

One other word, Mr. Speaker. A couple of years ago, or was it more, we had a committee on procedure. Everyone knows what went on in that committee. Everyone knows that one of the desires of Mr. Harris, who on that committee, was to cut the number of days for estimates down to 20 per session. The Conservatives would not agree to it; we would not agree to it either.

I ask the Conservatives to remember that. They should not try now to cut two sessions of parliament down to fewer than 20 days for considering estimates that amount to a total of over $5 billion.

I said, Mr. Speaker, that was one other word. There is still another. I am deeply concerned about what the Prime Minister said a few moments ago as to his belief that taxation changes can be made without going through the requirements of our rules so far as the presentation of a budget is concerned. I noted that he had to go back a long way in history to find some examples. Some of them were quite ancient. One was in 1930, when Mr. Bennett came to power. I think some of the things that Mr. Bennett did should be forgotten.

The other example was that of 1947 when Mr. Abbott imposed taxation by radio. I could hardly believe my ears when I heard the Prime Minister quoting that as an example. Those of us who were here will remember the vehemence with which the Conservatives of that day criticized the course taken by Mr. Abbott in proposing tax changes by radio. The present Prime Minister, the present Minister of Finance (Mr. Fleming) and the hon. member for Greenwood (Mr. Macdonnell) were strong in their denunciation of that practice, and so were we.

As a matter of fact it was in connection with that matter, when it was debated later on, that we were able on one occasion in committee of ways and means to defeat the government by a vote on the opposition side that was larger than the vote on the then government side. To complete the story, that result was set aside by an appeal from the ruling made by Mr. Golding, who was then chairman of the committee of ways and means. I recall this, Mr. Speaker, just to remind the Conservatives what they thought when they were in opposition about budgetary changes being made by means of an announcement, and then being put through the house in a way different from what is called for by the rules.

May I tell the Prime Minister that there has been a change in the rules since then. We now have standing order No. 58 which is in different terms from the standing order having to do with the budget prior to 1955. It seems to me that under a proper reading of standing order No. 58, if any budget presentation is being made on proposals for changes in taxation measures, the requirements of standing order 58 will have to obtain. The motion will have to be debatable, and if that is the case it is debatable for a period not exceeding eight days.

Now, I submit that it is possible for us to negotiate the matter of the number of days, provided there is respect for the rules; but if the government is going to say that the rule does not apply, then of course, any basis for negotiation is out the window.

We are concerned about this situation. We think what the country needs today and is entitled to have is not just bills providing for expenditures, bills providing for taxation changes, but a financial statement, an accounting as to where we stand in our national finances. We contend that the government is doing all the things that the present ministers condemned when they were on this side of the house, if it tries to make taxation changes without obeying the rules and having a budget debate, and without making a budget presentation through the Minister of Finance, and hence without letting the house know where the country stands so far as its finances are concerned.

These are procedural matters, Mr. Speaker; these are technical matters. When you talk about private members' days, when you talk about supply motions, when you talk about ways and means, the man on the street doesn't understand them the way the man on the street understood what was happening in the pipe-line debate. And yet, despite all that, I suggest that it is in these things that are wrapped up in the maintenance of the rules and the traditions of parliament that our liberty and democracy are at stake. I hope this government now in power, which so recently was talking about the rules, the traditions and the supremacy of parliament, will not forget those speeches either by pushing parliament around in terms of its business or by denying parliament its right to a budget presentation and its right to debate that presentation if taxation changes are to be proposed.

Therefore, Mr. Speaker, as I indicated at the outset, I say we are not opposed to the suggestion that we be asked to sit extra hours to get the business of the house completed in some reasonable time. But let us face the fact that we have before us this session, as I said, estimates amounting to $5 billion. We think they should be given the critical examination that the Prime Minister called for on April 11 this year. Also we have before us a long list of important legislative items, including what amounts to a budget. Parliament should not be rushed. Parliament should be given its opportunity to deal with these matters in the proper parliamentary way.

Mr. Solon E. Low (Peace River): Mr. Speaker, if with not everything the hon. member for Winnipeg North Centre said,

with certainly the great bulk of it, I find myself in complete agreement. He has summed up the situation very well indeed. I do hope the government will take into careful consideration what he has said.

I do not intend to repeat the arguments used by the hon. member, except to say this. I think it would have been better if the government had planned to bring in a budget this session. I still think it would be proper and in the interests of the country to bring in a budget. I am firmly convinced that in many parts of our country business remains unsettled very largely because it does not know what the government's financial proposal is to be, and it will remain unsettled until such time as a budget has been brought in and business is given assurance. For these reasons, amongst others, I do hope the government will yet find it possible to bring in a budget and let the members of parliament get their teeth into it.

I am quite sure I can say on behalf of my colleagues here that we are prepared to do everything we possibly can to help the government get the business of this session completed. We are prepared to sit longer hours to get the job done, if that is necessary. We have not wasted too much time. I am quite sure on other occasions there has been a shocking waste of time. I think—and I speak about this parliament, not just the government—this parliament thus far has done a remarkably large amount of work, has got through more work than any parliament I have seen in a good many years.

Mr. Pickersgill: Because there is a responsible opposition.

Mr. Low: Mr. Speaker, when we say we are prepared to go along with the government's proposal to sit longer hours, we do not want them to lose sight of the fact that by this time there ought to be some target date toward which we are aiming for the completion of the work of the session. No target date has yet been set or even suggested. I noticed a statement which shocked me in today's Montreal *Gazette* under the heading, "Current Session Will Run Into '58." It is a Canadian Press dispatch and reads in part as follows:

> . . . informants said today that interparty consultations have come up with this schedule:
> 1. An adjournment on Saturday, December 21, until Friday, December 27.
> 2. A very brief New Year break, with the M.P.'s just taking off January 1 and going back to work the next day.
> 3. Finishing up the sitting before the Liberals start the convention to choose a successor to Right Hon. Louis St. Laurent.

I want it definitely known, Mr. Speaker, that there was no interparty consultation to that extent with our group, and if a suggestion of that kind had been placed before us we would not have agreed to it by any means. Apparently the government now expects to complete the 26 pieces of legislation that are either on the order paper or were mentioned by the Prime Minister today plus the estimates of the 16 departments that have not been touched, and in addition we are entitled to three supply motions and two private members' days between now and Christmas. It is just utterly fantastic to think we can do justice to that amount of work in the limited time between now and Christmas. If it is fantastic to think we can get through that amount of work between now and Christmas, surely we ought to set some target date beyond Christmas in the new year toward which we can work.

I think the fault of the motion that has been moved by the Minister of Public Works is that it does not mention any target date or suggest to the house when the government would like to get through. Because I feel the motion is lacking in that regard I move that it be amended by adding the following:

> provided that the house shall prorogue or adjourn on or before December 21, and shall not reconvene before January 6, 1958.

That motion is seconded by my colleague the hon. member for Acadia (Mr. Quelch). I move it for this reason. I think members are entitled to a decent Christmas holiday, and we are not sitting in this parliament for the convenience of eastern members only. If we are going to have a decent Christmas holiday and not skip over the business, I think it should be understood that we will work here as hard as we can until December 21, will take a Christmas holiday from then until January 6, come back at that time and take up the work where we left off and do justice to every piece of legislation that is brought before us, and give members ample opportunity to debate as long as they wish the motions to go into supply and private members' resolutions.

Mr. Green: Mr. Speaker—

Mr. Speaker: May I put the amendment. I am in doubt whether it is in order. I should like to have the house consider that point. It is moved by Mr. Low that the motion be amended by adding the following proviso:

> provided that the house shall prorogue or adjourn on or before December 21, and shall not reconvene before January 6, 1958.

The motion before the house is one to control the hours of sitting, and whether it is possible by an amendment to enlarge that motion to deal with the time of prorogation or adjournment seems to me very

doubtful. I would think if the amendment attempted to limit this new regime for hours of sitting to the period up to December 21, for example, it would be in order; but to say "provided that the house shall prorogue or adjourn on or before December 21 and shall not reconvene before January 6, 1958" strikes me as attempting to settle by way of an amendment something that has a larger import than that. I wonder whether any hon. member would like to address himself to that subject before I rule on the amendment.

Perhaps the hon. member who moved the amendment would like to restrict it, making the amendment applicable only to the period between now and December 21, in which event I would accept it.

Mr. Low: Yes, I would be very glad to have the amendment read in that way.

Mr. Speaker: I would think that would be in order as an amendment. The motion now reads "December 4, 1957 and thereafter until the end of this session" and the amendment would be to substitute "until December 21, 1957" for "until the end of this session."

Mr. Green: Mr. Speaker, we are gathered here in this parliament under very different circumstances than has been the case in any other parliament since confederation. The objective of the government under these conditions has been to get the business of the country done in the most efficient way possible under all the circumstances. We have tried to co-operate with the members of the three parties who happen to be in opposition and to date, as the hon. member for Peace River (Mr. Low) has so truly said, great progress has been made. Many measures have been passed. In an ordinary session that would not have been the case; we would not have made the progress which has been made to date.

We must remember that in the background there is the fact that we are finishing up the business for the year 1957. Surely my hon. friends are not suggesting that we should be going further and doing some of the business for 1958. Yet that is the direction in which some of the arguments advanced by the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Peace River would lead. I am sure everyone in the house is aiming primarily at getting the business done, and under all the conditions I suggest there cannot be very much objection taken to having the house sit these extra hours.

No one is asking that there be any cutting down of the actual discussion. I know just as well as anyone else who has been here for any period of years that the more you suggest to members that they cut down discussion the longer they are going to take. That, of course, is true of some more than of others.

Mr. Pickersgill: Let the hon. gentleman speak for himself.

Mr. Green: Anyone who wishes to talk during these extended hours is, of course, free to do so. I have no doubt advantage will be taken of that opportunity. We may not save any time at all by adding these extra hours if a sufficient number of members look upon this change as an opportunity to do more talking. But we are trying to do the business of the country, and to get it finished by the end of the year. This suggestion that members cannot sit at all during the Christmas holidays, that they have to go home and stay for two or three weeks, does not do justice to the spirit in which the members of the House of Commons are here. We were elected not to run home for long holidays but to do the business of the country.

Mr. Coldwell: Will the minister permit a question? I am in agreement with the extended sittings, but I understood the minister to say we had to finish the estimates this year. Is it not a fact that the financial year ends March 31, not December 31?

Mr. Green: I said we are trying to finish the business of 1957 in 1957. The hon. member for Rosetown-Biggar knows very well that that business for 1957 includes the estimates. Surely he is not arguing that we should continue a discussion of the estimates until March 31, 1958?

Mr. Coldwell: We could.

Mr. Low: May I ask the minister a question. Is the minister implying that this house should go along with him and not question what the government is asking if that requires another month or six weeks in 1958 to finish up the business of this session?

Mr. Green: I am not asking the house to go along with me, but I do suggest that the members of the house should try to get the business for 1957 finished in 1957, or as soon thereafter as possible.

The Leader of the Opposition asked us about two items of legislation. One was the proposal to provide guaranteed prices for certain agricultural commodities. He expressed the hope that this measure would be brought up for debate at an early date. As the right hon. gentleman knows, I announced on Friday that that measure would be on the list for tomorrow.

Mr. Knowles (Winnipeg North Centre): No. 7 on the list.

Mr. Green: The other resolutions should not take very long. If my hon. friends want to take three or four hours on each one, that is another matter.

Mr. Sinclair: Closure.

Mr. Green: That is the plan of the government, to bring this resolution on for consideration tomorrow.

Then the right hon. gentleman also asked about any legislation which would change the excise tax on automobiles. Any change of this nature in a taxation measure will be announced just as quickly as possible. We realize the importance of having such an announcement made, and I can assure the right hon. gentleman that it will be made just as quickly as we can possibly do so.

Then the hon. member for Winnipeg North Centre made a statement which was very encouraging to me. He said the government was trying to push parliament around. I do not suppose there ever was a government of Canada that was in such danger of being pushed around itself as the present one is. If we have at least created the impression that we are able to push him and his colleagues around, let alone push around the other opposition parties, then we have not been doing too badly. However, I can assure him that the last thing we have in mind is to push anybody around. We are just as much interested in the rights of parliament as we ever were, just as much interested as my hon. friend and his colleagues. We intend to show every respect for parliament and all the wonderful things for which it stands.

I do not believe, really, Mr. Speaker, that we can be accused of trying to sabotage parliament by anything we have done to date. We intend to carry on in the same way during the remaining days of this parliament. We will try to respect the wishes of all three opposition parties, and try to work out a plan for doing the business of the house which will meet the convenience of all of the members, including the new members of the house. In the meantime I do ask for support for our original motion. We do not believe it is the responsibility of the Social Credit party, or any other of the opposition parties, to decide just when parliament is to be prorogued or just when it is to be adjourned. Those decisions are the responsibility of the government.

Mr. Low: No, the responsibility of parliament.

Mr. Green: There is one very good way to settle that. If the members of the house are not prepared to accept our recommendation as to when the house should be adjourned or when it should be prorogued, all they have to do is defeat us.

Mr. Gauthier (Portneuf): Another threat.

Mr. Green: This, too, is part of our parliamentary procedure, and we shall be very happy to abide by the result.

Mr. Low: Before the vote is taken I should like to ask the Minister of Public Works two questions relative to what he has said. The first is this. Does the Canadian Press despatch carried by the *Gazette* on its front page represent the plans of the government, when it says very definitely that well-informed people have said that is what the government intends to do? That is the first question.

Mr. Green: When the government, Mr. Speaker, makes an announcement, it does not make it to the press.

Some hon. Members: Oh, oh.

Mr. Gauthier (Portneuf): What about T.V.?

Mr. Green: I would not be surprised if the statement in the press came from my hon. friend's own party or from a member of the C.C.F.

Mr. Low: We deny that.

Mr. Green: It certainly did not come from me. The hon. member for Peace River stated that his party knew nothing about any such discussion. I may be wrong, but I think I intimated to the hon. member for New Westminster (Mr. Hahn) on Friday, as I did to the hon. member for Winnipeg North Centre and I think to the Leader of the Opposition or to the hon. member for Laurier (Mr. Chevrier), that we might give consideration to adjourning on Saturday, December 21, until the Friday after Christmas, and then sitting right on through, possibly with a holiday on New Year's day. I think I told my old friend the hon. member for New Westminster that on Friday. How the Canadian Press picked it up I do not know.

An hon. Member: Innocents abroad.

Mr. Green: It was merely a friendly conversation. Certainly the information did not come from me.

Mr. Low: The second question I wanted to ask the minister is this, Mr. Speaker. Will he, representing the government, consult with the representatives of other parties in the house with a view to settling this question of the terminal date of this session, the date of adjournment perhaps, and the target date for prorogation?

Mr. Green: Mr. Speaker, I have consulted with the representatives of the three opposition parties very thoroughly and very frequently since the beginning of the session, and I certainly shall continue to do so. It is still the hope of the government that the business will be through before Christmas.

Mr. Knowles (Winnipeg North Centre): On a question of privilege, Mr. Speaker, may I say just a word with regard to the reference to what has been said in the press, involving my name as well as that of the hon. member for New Westminster.

The leader of the house is correct in his statement that he informed me on Thursday or Friday or both that a timetable something like that indicated in the press was in the government's mind. Where the press is wrong—and I am in the dark as much as he is as to where the press got it—is in the suggestion that there was any agreement to the proposal. As the minister knows, I did not agree.

Mr. Green: No. I did not attempt to get any agreement from anybody. It was simply a discussion.

Mr. Knowles (Winnipeg North Centre): A one-way discussion.

Mr. St. Laurent (Quebec East): On a question of privilege, Mr. Speaker, may I say that I think the hon. member is mistaken. My colleague the hon. member for Laurier was not here on Friday. I had some conversation with the hon. gentleman, but I have no recollection of his having mentioned adjourning on December 21 and coming back on December 27, then to take a one-day adjournment at New Years. I have no doubt that the hon. gentleman was perhaps intending to communicate that information to my colleague the hon. member for Laurier, but he was not here and it was not communicated to me.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I find myself in the position of my name having been brought into this discussion in so far as a decision is concerned as to on what dates we had determined or decided the house might adjourn and be recalled. I must say that while there was some discussion with respect to the possibility, the only intimation I had was that we would probably be recalled the day after Christmas.

I can appreciate the position of the house leader with respect to this matter, because he has certainly consulted with me frequently, has tried to bring me up to date in every way possible, and has discussed this party's viewpoint as presented by me so we could possibly come to some agreement. But up to this time I must admit I had not definitely had the date of recalling the house drawn to my attention, nor was it suggested that December 21 would be the date when we would recess. It had rather been intimated that we would sit up to Christmas and be recalled the day after Christmas. The house leader might have been under the impression that he had discussed the matter with me, but I do not recall those particular dates being mentioned.

Mr. H. R. Argue (Assiniboia): As has already been said on behalf of this group, Mr. Speaker, we certainly have no objection to increased hours of sitting of the house. We realize that there is before parliament a great deal of business that must be dealt with. However, I am not at all satisfied that the government is giving to the various measures the kind of priority that should be given. With great deference to the Minister of Public Works, I suggest that to say that the resolution which would establish support prices for agricultural products is actually in fact listed for tomorrow, when it is listed in seventh place, is not to say something that has any great merit or any great basis in realism.

If the government were anxious that this legislation, which has been demanded by the official opposition and which this group has requested be brought forward at an early date, and which I am certain would have the support of members of the Social Credit group—when in response to this unanimous request by the three opposition parties the government say "We listed it for Tuesday but we listed it for seventh place," I would suggest that is putting a gun to the heads of members who are interested in the other legislation. I refer to the other six items that have been listed.

I therefore make this request, namely that the government list this legislation first for tomorrow, and we will see how we can expedite it. Some of my colleagues have suggested to me that if the government would be prepared to do that we might be prepared to sit tomorrow morning to deal with this legislation affecting agricultural producers.

What may be happening, Mr. Speaker, is this. The government, by delaying the passing of this legislation—and this is the best you can say for it—is in fact taking away a good deal of money that might otherwise accrue to the producers who are marketing products that might be affected by the resolution. Of course if that is not the case then there is not too much in the resolution. But it seems to me a shame, since the government has been in office since June 21, that

there should be so much delay in bringing forward what we all understand to be an emergency measure.

No one can say that parliament—and in this I include all members of parliament—did not pass with great expedition the various pieces of legislation which the government itself listed as emergency legislation. This therefore is the first thing, I suggest, that the government should be giving consideration to.

I am not sufficient of an authority to know the technicalities with regard to bringing in a budget in a given session or not bringing in a budget, but it seems to me to be a very unsatisfactory state of affairs that because the government is playing coy as to its policy with regard to the excise tax on automobiles, we should have this further large number of persons added to the unemployment rolls in this country. Why does not the government make a statement now as to its position with regard to this suggested change in the excise tax on automobiles? I think it is a mistake that the government should leave this thing suspended for so long, thereby daily adding to the unemployment rolls in this country.

We all hope, of course, that there will be a cut in the excise tax. We hope the government will bring in a budget immediately. But I think this is the kind of problem that should be dealt with so this unemployment, if it is unnecessary as far as the automobile industry is concerned, is not continued. I can understand the position of prospective automobile purchasers in this country. They do not want to risk any chance of paying more than would be the ordinary price if they purchase an automobile now in advance of any prospective reduction. It would seem to me that this is just an ordinary thing that should be done.

Mr. Speaker: I was just going to remind the hon. member that we are dealing with hours of sitting, and that we should not get into discussion of business to come before the house.

Mr. Argue: Mr. Speaker, I would think I was making a comment on the statement made by the Leader of the Opposition. As far as expediting the business of the house is concerned, I think we are in favour of it. A good deal of legislation has been announced that we shall have to deal with during the current session. As the Prime Minister stated that legislation that we would have to deal with this session it seemed to me there was one major omission, and that was legislation which would provide for payments under the Hospital Insurance and Diagnostic Services Act on behalf of mental and tuberculosis patients. The second obvious thing was an announcement which would make possible the coming into effect of the hospital insurance provisions at an early date.

I should like to say to the government that it is not compelled at every opportunity to say that if we want to vote for an adjournment, vote for the motion or vote against it, we face the possibility of an election.

There seems to be quite a desire on the part of the government to get defeated on any kind of a motion it can at the earliest possible date. It seems to me the government would be in a much better position if it would take the constructive suggestions advanced by the members of the various opposition parties as to what should be given priority in the way of very necessary legislation.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I shall try to keep to the motion which is before the house, but I would like to make one or two points in connection with what the leader of the government stated a moment ago.

It is true that certain discussions took place between us in connection with a general plan to deal with the business of the house from that time, which was at least a month ago, until the Christmas recess. The plan which was submitted appeared to me to be in order in so far as its general terms were concerned, but I do want to make it quite clear that at no time was there any agreement as between us in connection with any plan such as that announced in this morning's *Gazette*. I want to dissociate myself from any understanding or any agreement in so far as that is concerned.

As the leader of our party has said, I was not here on Thursday or Friday—

Mr. Green: On a point of order, Mr. Speaker, I said there was no agreement with anybody, but that it was simply a matter of discussion.

Mr. Chevrier: Well, that was not even discussed. I think my hon. friend indicated that this group had been told something about the plan. I want to make it quite clear that I, for one, was not consulted about this.

There are, however, one or two other points with which I would like to deal in speaking to this motion and to the amendment. The leader of the house has said that we are gathered here in unprecedented circumstances. Well, I do not think the circumstances are so unprecedented. After all, there have been two sessions within a 12-month period before, and the responsibility of the government is to bring in the estimates,

the legislation and any other business. It therefore does not seem to me that there is anything unprecedented about the circumstances in which we find ourselves.

Our leader a moment ago asked the Prime Minister for the intended legislation, other than that on the order paper before us now, for the remainder of the session, and I am just wondering if it is the intention of the government to get through all of this business before the end of this year. After all, there are on this list some measures which it seems to me have no urgency, and certainly others—for instance, that dealing with closure—which could be of such a contentious nature as to take a great deal of the time of the house.

That being the case, I wonder how it is going to be possible that all this legislation now on the order paper, and that now announced by the Prime Minister, could get through in that time. We have from now until the Christmas recess, and so I ask this question with all deference. Is it really the intention of the government to get through with the business of the house, or is it inviting a vote of non-confidence so as to provide a reason to go before the country?

Those are the considerations which come to my mind at this time; and while we will facilitate the business of the house, as my leader has said, there is one thing I hope we will not be asked to do, and that is to put some of these measures through with such haste that it will be impossible to consider them seriously in the manner in which they should be considered, at least on second reading. Those are the observations I have to make on this motion.

Mr. Victor Quelch (Acadia): As the leader of this group has mentioned, Mr. Speaker, we are prepared to adopt the hours of sitting mentioned in this motion, but I think the leader of the house should be prepared to at least be reasonable. He must admit that the proposal as it now stands is fantastic. He is saying the times we shall sit in this house until the end of the session, and if there was any possibility of making the end of the session before Christmas I would agree with the reasonableness of this motion. But the leader of the house knows very well that there is no possibility of completing the business of the house before us at the present time by December 21. Seventeen days left, 26 pieces of legislation, 15 departments, three supply motions and two private members' days. For anybody to suggest that all this could be completed before Christmas, as I say, is fantastic.

An hon. Member: Irresponsible.

Mr. Quelch: If, on the other hand, we are going to come back after Christmas—and undoubtebly we will have to do so in order to complete this legislation—is it necessary that we should sit this kind of hours for an unlimited time in order to complete this legislation, especially when the closure motion is among the measures? Mind you, closure is still in force, and the house leader may figure that his party will be able to use closure, get it through, and then do away with it.

An hon. Member: That's a hot one.

Mr. Quelch: But so long as we are going to debate this legislation on a reasonable basis I do suggest that the leader of the house should be prepared to accept the amendment of the member for Peace River that this should only apply until December 21 and then, if we have to come back after Christmas, we will adopt more reasonable hours.

The house divided on the amendment (Mr. Low) which was negatived on the following division:

YEAS

Messrs:

Blackmore
Brown (Essex West)
Christian
Hahn
Hansell
Harrison
Holowach
Irwin
Johnston (Bow River)
Low
McLeod
Olson
Patterson
Quelch
Sinclair
Smith (Battle River-Camrose)
Stefura
Stick
Stuart (Charlotte)
Thompson (Edmonton-Strathcona)
Yuill—21.

NAYS

Messrs:

Aiken
Aitken, Miss
Anderson
Argue
Arsenault
Barbes
Barnett
Baskin
Batten
Beech
Begin
Bell (Carleton)
Bell (Saint John-Albert)
Best
Blanchette
Brooks
Browne (St. John's West)
Bryce
Bryson
Campbell (Lambton-Kent)
Campbell (The Battlefords)
Caron
Castleden
Cathers
Chabot
Charlton
Chevrier
Chown
Coates
Coldwell
Comtois
Crestohl
Crouse
Dechene
Diefenbaker
Dumas
Fairfield
Fraser
Fulton
Gardiner
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gour
Green
Habel
Hales
Halpenny
Hamilton (Notre Dame de Grace)

Hamilton (Qu'Appelle)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Houck
Howe
Huffman
Johnson (Kindersley)
Jones
Jorgenson
Jung
Kirk
Knowles (Winnipeg North Centre)
Kucherepa
Lambert
Landry
Lavigne
Leduc (Gatineau)
Legare
Lewry
MacDonald (Antigonish-Guysborough)
MacEachen
MacLean
MacRae
McBain
McCleave
McCullough
McGregor
McIvor
McMillan
McPhillips
Maloney
Mandziuk
Marler
Martin (Essex East)
Martini
Milligan
Mitchell
Montgomery
Morris
Morton
Muir (Lisgar)
Nixon
Noble
Nowlan
O'Hurley
Pearkes
Pearson
Phillips
Pickersgill
Poulin
Rea
Robinson
Rowe
St. Laurent (Quebec East)
Schulz
Simpson
Smith (Calgary South)
Smith (Hastings-Frontenac)
Stanton
Starr
Stinson
Thomas (Middlesex West)
Villeneuve (Glengarry-Prescott)
Villeneuve (Roberval)
Walker
White
Winch
Winkler
Wratten
Zaplitny—121.

Mr. Speaker: I declare the amendment lost. The question is—

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, before you put the motion I should like to have a word. I did not speak on the main motion; it was my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), who dealt with it. I want to say this to the government. Because of the condition that exists in this house at the present time the government would be well advised to do what was done when a government since I have been here had a very narrow majority. I am referring to the period between 1945 and 1949, when, from time to time in the discussions of the business of the house, the leaders and the whips of the opposition parties were called into consultation. They might come to some agreement without a long discussion of this description. Since the beginning of this session there has been no consultation. The leader of the house from time to time has seen members of the opposition groups and has said what the government intends to do. That, in reality, is not the kind of consultation that there should be under these circumstances. We are willing to sit all the hours that are necessary to do the business of this house.

There is a tremendous list of legislation now. I am amazed at the number of items that were added this afternoon. Some of them are of the utmost importance. I want to say to the government that some attempts should be made to organize the discussion of this legislation. We should try to get the legislation through. The estimates should also be dealt with by this house; but I want to say to the government again that the estimates we are now discussing are not the estimates up to December 31, 1957. These are estimates up to March 31 of next year and consequently we should be able to have ample time to discuss them. I do not think it is the function—that is perhaps why we did not vote with the Social Credit group—of either the opposition or the government simply to say that this is what we are going to do and have done with it. There should be consultation. I think we should try to get consultation—

Mr. Low: I tried to get consultation.

Mr. Coldwell: The leader of the Social Credit group was laying something down to the house. I think it would be far better if the government took the attitude of consultation. Let us organize the discussion of this legislation, if we can. Some of the legislation should go through immediately. Farm legislation has been mentioned several times this afternoon and then, of course, the financial position of the country should be known.

These are matters of the utmost concern to this parliament and they should take priority over everything else. The people of this country have a right to know—particularly if there is any intention on the part of the government to call an election in the near future—the financial position of this country and what the legislation that we have adopted this session means to the finances of this country. We have added these commitments which we support. I think the people of the country have the right to know above all things what the financial condition of this country is and we should not leave here until we know. That means, of course, that a budget should be brought down before this session winds up.

I want to make a plea to the government so that we may not have the kind of discussion we have had this afternoon, and so we may have consultation to try to get something agreed upon by the parties in regard to legislation and proceed with the estimates and give them a thorough going over, which they deserve. Incidentally, we owe that to those who sent us here.

Motion agreed to.

POWER

AUTHORIZATION OF LOAN OF $30 MILLION TO PROVINCE OF NEW BRUNSWICK

Hon. Howard C. Green (for the Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the House by His Excellency:

That it is expedient to introduce a measure to authorize the Minister of Finance to make loans, out of the consolidated revenue fund, to the government of New Brunswick, not exceeding $30 million, in respect of expenditures for the development of hydroelectric power at Beechwood on the Saint John river.

Motion agreed to.

LABOUR CONDITIONS

SHUTTING DOWN OF AUTOMOBILE PLANTS—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Hon. Paul Martin (Essex East): Mr. Speaker, pursuant to standing order 26 I beg leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance. Your Honour will note that the mover of such a motion must, pursuant to subsection 3 of standing order 26, hand to Your Honour a written statement setting out the matter which he proposes to discuss as a matter of urgent public importance. That I have done and I now await your ruling as to my right to raise this matter.

Mr. Coldwell: What is the matter of urgent public importance?

Mr. Martin (Essex East): I followed strictly the rules set out in standing order 26. I have no objection to stating what Your Honour now has, namely that there is a matter of urgent public importance in our country arising out of the closing of automobile plants resulting in the lay-off of thousands of automobile workers for an indefinite period.

An hon. Member: Is that all you have got to say?

Mr. Speaker: The urgent matter of public importance which is the subject of this motion, as I understand it, relates to the closing or shutting down in whole or in part of automobile plants in Canada and the threatened closing of automobile plants.

While I think the house will agree that this is a matter of public importance and public interest, I wonder whether any hon. members would care, before I make the decision which it is my duty to make, to address themselves to the question of the responsibility of the government in the matter and the question of urgency of debate which, after all, is the important question I have to decide. It is not that the matter itself is of urgent public importance, as most matters before the house are, but whether it is a matter of urgency of debate, assuming that it is of urgent public importance. Perhaps the proposer would say a word.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, if I may have the floor for a minute, I think we at least ought to know the wording of the motion so that we can speak to it. We have always had that courtesy shown before.

Mr. Speaker: In reading the motion I am not accepting it as being in compliance with the rules. The motion that will be made is "that the house do now adjourn". It is expressed in the document which has been handed to me in this way:

In accordance with this standing order—

That is standing order No. 26.

—I herewith submit a statement of the matter to be discussed. The matter of urgent public importance which I propose to raise has to do with the fact that two large automobile companies in Canada, employing thousands of workers, have closed their doors for an indefinite period and another large company, in fact, the largest, proposes to shut its doors tomorrow or the next day.

Mr. Winch: Is there not an additional paragraph to the effect that the confusion was created by the announcement respecting the excise tax on automobiles?

Mr. Martin (Essex East): I wish to address you now, Mr. Speaker. I would call your attention to subsection 3 of standing order 26 which is explicit in this matter. Every move I have taken is in accordance with the rules, as Your Honour well knows. Subsection 3 is in these words:

He then hands a written statement of the matter proposed to be discussed to Mr. Speaker, who, if he thinks it in order, and of urgent public importance, reads it out and asks whether the member has the leave of the house.

The grounds for this motion are another matter and they have been properly stated under the rules but I submit in the wrong context by the hon. member for Vancouver East. There is this large-scale lay-off which was announced by three automobile companies on Saturday last, as contained in the Saturday edition of the *Globe and Mail*, as the result of hesitation in the tax policy of the administration, clarification of which policy has been sought by representatives of the automobile industry, the factory workers and members of this house over a period beginning almost at the opening of this session of parliament.

Mr. Speaker: Order. I do not want the hon. member to proceed as though the motion

had been accepted. What I am concerned about is the matter of urgency of debate at this time.

Mr. Green: On that point of order, may I point out that earlier this afternoon the Leader of the Opposition dealt with this matter when he asked for an early announcement of policy with regard to the excise tax on automobiles. I attempted to answer that request made by the right hon. gentleman. Now we have the hon. member for Essex East coming along with the very same matter and trying to make it the excuse for moving to adjourn the house. I submit that is in no way covered by the provisions of standing order 26. This is not a question of raising an urgent matter of public importance.

Mr. Martin (Essex East): If you were out of work you would know.

Mr. Green: The question has already been properly raised by the Leader of the Opposition.

Mr. Sinclair: I should like to speak to the point of order.

Mr. Speaker: Well, it is really not a point of order. It is in response to my request for some assistance in determining whether the proposed motion is in order, and I will hear the hon. member for Winnipeg North Centre who rose first.

Mr. Knowles (Winnipeg North Centre): I should like to address myself to the question that is of greatest concern to Your Honour, namely whether there is urgency of debate with respect to this matter. Before I do so, perhaps I might point out to the hon. member for Essex East (Mr. Martin) that his motion, in the form in which he presented it to the house, was to say the least incomplete. He quotes subsection 3 of standing order 26. I wonder whether he read subsection 2, which comes before subsection 3. It says:

> The member desiring to make such a motion rises in his place, asks leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, and states the matter.

The hon. member for Essex East forgot to state the matter. The fact that he sent notice to Your Honour in advance does not mean that he has complied with the requirement of the last four words of subsection 2 of standing order 26.

I would also draw the attention of the hon. member for Essex East to page 323 of Beauchesne's third edition. At the bottom of that page there is an instruction as to how to draft a motion of this kind. True, in Beauchesne's third edition, the reference is to standing order 31 but that was the number before the last revision of the rules and standing order 26 in today's rules is the same as standing order 31 was under the old rules.

Mr. Sinclair: What page?

Mr. Knowles (Winnipeg North Centre): Page 323 of Beauchesne, third edition. The instruction reads:

> The member, from his place in the house, says: "Mr. Speaker, I ask leave to move the adjournment of the house under standing order 31—"

Now standing order 26.

> "—for the purpose of discussing a definite matter of urgent public importance, namely" (here describe the question to be debated). He then hands a written statement of the matter to be discussed to the Speaker who, having read it to the house, puts the question: "Has the hon. member leave to proceed?"

Now, if the hon. member for Essex East did not know where to find that in the rule book, he could have looked up last Friday's *Hansard* and copied the form of the motion put by my colleague the hon. member for Assiniboia (Mr. Argue). I realize that the hon. member for Essex East, who has been in parliament for a long time, has not had any experience with this type of motion. He should have consulted some of us on this side who have had lots of experience in opposition. However, I gather Your Honour does not want to make an issue out of the incomplete form of the motion, for you can easily write in the words the hon. member for Essex East had in mind.

This leaves us with the more important and serious question of the urgency of debate. I support very strongly and wholeheartedly the proposition that there is urgency of debate. May I point out that in doing so I am asking the house to take up more time on this private members' Monday which otherwise would have been devoted to a motion standing in my name, so the impartiality of the position I am taking is obvious. It has been ruled many times, Mr. Speaker, that urgency of debate rather than just the urgency of the situation is the criterion. There is no argument about the urgency of the situation. Indeed, Your Honour has admitted that. The fact is employees are being laid off and there are other things happening that are upsetting the country in regard to this situation.

What about urgency of debate? The fact is that during the whole of this session we have been trying to get a statement from the government regarding its plans with respect to a budget. Up until today, we have not been able to get any kind of statement at all. All of the answers from the Minister of Finance (Mr. Fleming) have been, to put it politely, evasive. Even today the statement of the Prime Minister (Mr. Diefenbaker)

still leaves a great deal of uncertainty as to taxation changes, and that uncertainty is on two counts.

On the one hand, we do not know when they are coming, and I submit that is a matter that should be debated today because if there has been confusion in the automobile industry in the last few days there will be more confusion after the statement made today, with no follow-up as to when these measures are to be introduced. There is uncertainty as to whether the taxation measures to be introduced by the government will include changes in the excise tax so far as automobiles are concerned. There is also uncertainty as to the government's intention regarding the way this matter is to be introduced. Is there to be a budget debate or not? Are there to be resolutions that will be passed by parliament or just resolutions, notice of which will be given to parliament? All of this is in such a state of confusion, both so far as parliament is concerned and so far as the automobile industry and its employees are concerned, that it seems to me there is one thing that is required today—I will even say it is more important than debating my motion—and that is a debate in this house to find out where we stand in relation to the introduction of any measures affecting the exise tax on automobiles.

Therefore, Mr. Speaker, despite the comments I made regarding the incompleteness of the form of the motion presented by the hon. member for Essex East, I hope you will consider my contention that there is not only urgency so far as the situation is concerned, with men losing their jobs, but there is urgency of debate. This matter should be discussed and cleared up in the House of Commons today.

Right Hon. J. G. Diefenbaker (Prime Minister): I feel that one has to trace the origin and course of the question arising here in order to discuss it properly. The position of affairs is simply this. Someone wrote a press article based on conjecture, in no way supported by anything said in this house, and on the basis of that article allegedly certain things have taken place. As a matter of fact, those things had taken place earlier and have continued because they were in existence on June 10, namely a great deal of unemployment in the automobile factories.

What will happen here if this—

Mr. Martin (Essex East): I rise on a point of order, Mr. Speaker. The question before the house now is not the merits of this matter. The question before Your Honour is whether or not this question is one that properly comes within standing order 26. What the right hon. gentleman is now doing is arguing the merits of the case and he can do that after Your Honour has given me permission to place before the house this motion.

Mr. Speaker: In order that there may be no doubt about the position, I am under the duty of making a decision and have asked members to speak. I am interested in hearing the Prime Minister speak to the question of why this matter should be debated now, the question of urgency of debate. I would appreciate it if members would address themselves to that point.

Mr. Diefenbaker: The hon. member is the last person who should raise a point of order after the lesson he just received from the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Chevrier: That is pretty cheap, coming from the Prime Minister.

Mr. Bell (Saint John-Albert): You know how to be cheap.

Mr. Diefenbaker: My hon. friend should not carry his frustration into this house. What would happen, supposing there was a debate? Supposing there had been a budget to be introduced next week, and a week in advance of the budget some newspaper in this country published a certain statement.

Mr. Sinclair: There is not going to be a budget. You said so yourself.

Mr. Diefenbaker: Would that force a discussion and be a matter of urgency of debate, Mr. Speaker? This is obviously simply a subterfuge in order to secure advance information as to what is going to be done by this government on a matter, responsibility for which rests with this government.

Mr. Speaker: Order.

Mr. Martin (Essex East): I rise on a question of privilege, Mr. Speaker. The right hon. gentleman has said that this was a subterfuge.

Mr. Diefenbaker: I said that.

Mr. Martin (Essex East): That is a reflection on my motive for bringing this matter to the attention of the house. I brought this matter to the attention of the house because in my constituency thousands of men are out of work, that is the reason, and the right hon. gentleman should withdraw that observation at once or he will be reflecting on the unemployed people of this country.

Some hon. Members: Withdraw.

Mr. Diefenbaker: I said that the adoption of this motion was a subterfuge, and I stand on that. This type of application was never intended to cover a situation such as the

one in which it is endeavoured to be used by my hon. friend, and that being so it is indeed a subterfuge.

Hon. E. D. Fulton (Minister of Justice): I should like to speak to the point of order, concerning the urgency of debate. If I might go back for a moment, even beyond subsection 2 of standing order 26, and go back to subsection 1 of that standing order, I should like to point out to the hon. gentleman who introduced the motion that subsection 1 says:

> Leave to make a motion for the adjournment of the house when made for the purpose of discussing a definite matter of urgent public importance must be asked after starred questions on Wednesdays—

And so on. The hon. gentleman has not yet favoured the house with a statement of exactly what he does want to have discussed or what situation he has in mind, whether it is a projected closure, a past closure of plants or just what is the situation. No one is denying for a moment that it is a serious matter. Of course, it is a serious matter. However, the course of the matter and the solution of that problem are not going to be advanced by such a vague and loose statement as the hon. gentleman has made today, because on the basis of the statement he has so far made as to what the matter is he wants to discuss no one can come to grips with the problem.

Apart from that, there is another reason, and I think a much more important reason, why the motion is clearly out of order and why it falls entirely within the type of procedure which the Prime Minister (Mr. Diefenbaker) has categorized as a subterfuge. The hon. gentleman who moved the motion and the hon. member for Winnipeg North Centre (Mr. Knowles) who supported it have both made it perfectly clear—and indeed, of course, the facts speak for themselves and make it clear beyond any possibility of doubt—that their purpose is to raise a discussion involving the question of the government's policy with regard to taxation, both of them—as well as all hon. members—knowing perfectly well that it is entirely out of order to raise at this stage the question and demand from the government a declaration of its tax policy.

The Prime Minister (Mr. Diefenbaker) has indicated clearly today that in the course of a few days taxation measures will be laid before the house. It is but a pure subterfuge for them to say, "You have not told us whether or not there will be a budget." Such taxation proposals as there will be will be incorporated in legislation to be laid before the house and you, Mr. Speaker, and hon. members know perfectly well that discussion of this kind simply cannot be carried on because the whole question involved is surely government taxation policy. Indeed I would suggest that if there had been any responsibility attaching to any member of this house or anywhere in this house for the situation that has developed in the automobile industry in respect of uncertainty as to taxation intentions, the responsibility lies over there on the other side of the house.

Mr. Speaker: I must ask the hon. member not to debate the issue. Perhaps the only way to avoid such debate arising is to give a decision on this matter. However, I see the hon. member for Bow River (Mr. Johnston) and I should like to hear what he has to say about the matter of urgency.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I should like to address myself for a moment or so to the seriousness of the situation and the seriousness of the motion which has been presented by the hon. member for Essex East (Mr. Martin).

Mr. Speaker: Perhaps it would shorten the matter and assist the hon. member in assisting me if I say that what I am concerned about is the question as to whether we should interrupt proceedings in order to debate this matter now or, in other words, the urgency of debate. I know there is an urgent unemployment problem. That is the matter to which I should like him to address himself. Then I will hear the hon. member for Coast-Capilano (Mr. Sinclair).

Mr. Johnston (Bow River): Mr. Speaker, it is to that matter that I was going to address my remarks which would be somewhat in order and not participate in the political wrangling which is going on between the Prime Minister and some of the members of the opposition. It seems to me that this is a matter of great public concern and certainly not only to an individual constituency.

The hon. member for Essex East pointed out how serious this matter was in his constituency. The Prime Minister (Mr. Diefenbaker) pointed out that he did not think it was fair that this matter should be brought up because there happened to be an article in a newspaper. It just so happened that this morning—whether it is coincidence or not I do not know—I received an urgent telegram from the department of labour and industries in the province of Alberta pointing out the urgency of this matter, pointing out also that the unemployment situation in that province has doubled since a year ago and that they are very much concerned. This question of seriousness and of concern is not one that affects any local constituency only. It is a situation prevalent all over Canada.

Mr. Speaker: Order. May I say to the hon. member that what it is the purpose to discuss on the adjournment of the house is not the unemployment situation in Canada. It is stated in these terms:

—has to do with the fact that two large automobile companies in Canada, employing thousands of workers, have closed their doors for an indefinite period and another large company, in fact, the largest, proposes to shut its doors tomorrow or the next day.

That is the alleged matter of public importance. The assistance I need is on the question of whether we should interrupt the proceedings to discuss that matter today. If the hon. member has nothing further to say, I will hear the hon. member for Coast-Capilano.

Mr. Johnston (Bow River): I quite realize that the wording of the motion refers only to the lay-offs in the automobile industry. But certainly that becomes a matter of great concern to all those who are employed as dealers clear across the country and to all those who are employed in the manufacture of those things that go to make up the automobile. It therefore cannot be confined just to the one area. What I wish to say is that we are in entire support of the motion by the hon. member for Essex East with regard to the seriousness of the situation and believe that is should be adopted now.

Hon. James Sinclair (Coast-Capilano): I wish to speak only on the matter of urgency. The Minister of Public Works (Mr. Green), when he spoke, gave as his reason that this motion should not be adopted the fact that the Leader of the Opposition (Mr. St. Laurent) was informed that in the list of legislation to come forward there were going to be tax measures and that they would be brought forward at the earliest opportunity. I should like to point out that just six weeks ago today I asked the Minister of Finance (Mr. Fleming) when those tax measures were going to be brought forward and received exactly the same answer. If it means that these tax measures are going to be delayed for another six weeks, that means that for another six weeks the automobile plants and the automobile salesmen in this country are going to be unemployed because of evasion and delay by this government in bringing in a budget.

Mr. Hamilton (York West): Mr. Speaker, I want to speak on the point of order. First of all, however, I should like to say that no one speaks lightly of the question of unemployment. But in connection with this matter of debate, I should like to leave this thought with you. Should you make a ruling that this matter should be debated today, are we not leaving ourselves in the position in the future that if at any time any group of people wish to receive information from the government or to place the government in a defensive position, all they have to do is to inspire an article in the press and then we will have government by newspaper. Of course, once this type of article is printed we are left in a position where a group of citizens can use a big stick and ensure that this type of thing is brought before the house.

Mr. Speaker: May I say this to the hon. member. In what I have been handed today I see nothing that relates to taxation at all. The urgent matter as stated has to do with unemployment or lay-offs in the automobile industry. If the hon. member who is moving this motion intends to deal with taxation, that raises quite a different situation in my mind; and I am dealing with it as it stands before me now.

Mr. Hamilton (York West): Surely what is attempted here is simply to do indirectly something that cannot be done directly. On that basis I say that this matter should not be debated in this house today.

Mr. D. F. Brown (Essex West): In rising on the question as to the urgency of debate, may I say this. The only purpose of having debate is in order to get some action from the government in connection with the unemployment situation as it now exists in Canada. That is the only purpose.

Some hon. Members: Oh, oh.

Mr. Sinclair: In Canada.

Mr. Brown (Essex West): The unemployment situation as it now exists in Canada.

Mr. Sinclair: In Canada, from coast to coast.

Mr. Speaker: I think I have heard enough to deal with the matter.

Mr. Fraser: May I just say a word?

Mr. Speaker: First I must hear out the hon. member for Essex West.

Mr. Brown (Essex West): The reason I suggest we want action is this. There has been set up a committee of municipalities in the Windsor area which have requested the co-operation of the government. I propose to show that they are not getting co-operation. All we want is a little bit of action on behalf of the government, for which action we are quite willing to give our utmost co-operation in the Windsor area. You cannot slough off the question of thousands of people being unemployed. It affects not only those

people who are so unemployed but all allied and secondary industries. Therefore, all we want the debate for is in order to get a little bit of action out of the government.

Mr. Fraser: Mr. Speaker, if my memory serves me right,—and I think it does—at this time every year the automobile plants across the country generally lay off men for a few days or a week or so in order to have a readjustment as between one kind of model and another.

Some hon. Members: Oh, oh.

Mr. Fraser: I have every sympathy with the men who are laid off but I know that has happened every year.

Mr. Speaker: I appreciate what hon. members have said but I must say that it does not really assist me very much in dealing with this matter. What we have before us is a fairly definite matter of public importance and what we have been discussing is something quite different. Now if the hon. member for Essex East (Mr. Martin) is moving the adjournment of the house to discuss the matter of the excise tax on automobiles, I would certainly rule it out of order because I could not understand how matters which are essentially matters for the budget could be projected into a debate of the house by an expedient of this kind. However, that is not a matter which I have before me and I must deal with what I have before me. The matter to be discussed has been put in the following terms:

> The matter of urgent public importance which I propose to raise has to do with the fact that two large automobile companies in Canada, employing thousands of workers, have closed their doors for an indefinite period and another large company, in fact the largest, proposes to shut its doors tomorrow or the next day.

Now this has to do with unemployment in three large automobile companies in Canada, which is of course a matter of public importance and interest. I suppose that, taking it at its face value, what it is desired to debate is what can be done about that unemployment situation? Now by looking at the order paper I can find nothing which will give the hon. members an opportunity to discuss this matter in the near future and it seems to me that this is a matter which does come within the rules to the extent that I must ask this house whether the hon. member has the leave of the house to proceed.

I put the question now, formally, to see whether there is any objection. The question before the house is this: Has the hon. member for Essex East the leave of the house to move the adjournment of the house to discuss this matter of urgent public importance?

[Mr. Brown (Essex West).]

Some hon. Members: Yes.

Some hon. Members: No.

And more than 20 members having risen:

Hon. Paul Martin (Essex East): Mr. Speaker, I am sure that the house generally will appreciate the care which Your Honour takes in a matter of this sort in trying to arrive at what he believes to be the correct procedural situation. I certainly join with other members of this house in recognizing the great patience and understanding which Your Honour shows, not only in this particular but also in other matters which have come before us during the course of the present session.

I would like to say firstly to the hon. member for Winnipeg North Centre (Mr. Knowles), for whose judgment on procedural questions if not substantive questions I have great respect, that he will possibly now understand—after the observations of His Honour—why I was careful as to the form of my motion. Notwithstanding the fact that I recognize my hon. friend's superiority of knowledge in these matters and though I might accept his advice on some occasions, I am sure he will recognize that in this particular instance he was not as wise as would seem to have been indicated by some of his earlier remarks. I say this in the light of the ruling of the Speaker with regard to this matter.

Mr. Knowles (Winnipeg North Centre): I try to be helpful.

Mr. Martin (Essex East): Now the matter before us, Mr. Speaker, concerns the fact that at the present time in certain centres of Canada plants have been closed and, as a result, thousands of men are out of work. However, as the hon. member for Bow River (Mr. Johnston) has pointed out, this situation is not confined to merely those centres where automobiles are manufactured in this country. The very interdependence of our economy suggests, of course, that the situation is much more widespread in this particular instance, than a mere recital of the number of men who may be out of work in the city of Windsor, in the city of Oshawa or any other centres, such as Hamilton, where automobiles are manufactured.

One has to take into account that the situation affects the dealers in automobiles all over this country and in every community; one has to consider the effect on a score of subsidiary plants, not only in my own community but in other communities of Canada which are entirely dependent upon the manufacture of automobiles.

This, therefore, is by no means a local question or one of local consideration; this is

a national matter and I do not argue for one moment that if the situation was confined to my own city that would preclude any hon. member from raising this particular matter but, to give emphasis to the nature of the problem about which we complain, I join with the hon. member for Bow River in indicating the nationwide character of the problem.

Now I want to be fair in a matter of this importance and I would not suggest that this is the first time unemployment has occurred within recent months or within a recent period in the automobile industry; that would be neither a fair argument nor would it be a responsible one, and I do not think I am inclined to make irresponsible arguments in support of a case in this house. However, I do have a duty, as a member of parliament representing an automobile centre, to raise a situation which, rightly or wrongly, does have certain attributes for which the government is responsible in this particular instance.

Now I wish to refer to a matter which I regret having to raise since the hon. the Minister of Finance (Mr. Fleming), undoubtedly for good reasons, is not in his seat but I have to weigh the convenience of the hon. minister and the interests of my constituents, so I think he will not criticize me, in this instance at any rate, if I prefer the welfare of my constituents to his convenience. On Thursday last I asked the Minister of Finance if on the next day he was going to see representatives of the automobile industry. I indicated in my question that there was some concern about his refusal or his inability to see the representatives of that industry on the next day. The minister replied that he had already seen them several weeks before. He also indicated that he had seen the dealers and that he was aware of the nature of the problems confronting the automobile industry. He would give no commitment however as to whether or not he would see them. It was that statement, together with reported items of one kind and another, which have circulated since the beginning of this session which have caused, as I suggested in my question to the Minister of Finance, a stagnation in the sales of automobiles, an uncertainty in the minds of the consuming public and, perhaps not unnaturally, some hesitation on the part of the manufacturers.

Now the press of this country on Saturday last indicated the official attitude of the automobile manufacturers themselves, but I do know that groups from my own city have been endeavouring and propose to continue to endeavour to seek an interview with responsible members of the government in connection with this matter, to see if clarification of some kind will not ensue on the part of the government which would at least remove any uncertainty in so far as the relationship of the government to this particular problem is concerned.

Now we have in the *Globe and Mail* of Saturday a statement from General Motors of Canada Limited and Chrysler Corporation of Canada Limited to the effect that production will be suspended next week, meaning this week. I refer to the edition of Saturday, November 30, pending the clarification,—and because of your ruling, sir, I do not intend to go any further—of government policy.

Now there is only one field in this matter involving government policy which has any practical bearing on this matter, and we were told during the course of the election by the Prime Minister (Mr. Diefenbaker), speaking in my own city of Windsor with regard to the automobile situation, which at that time had its period of unemployment—there were then some 7,000 men out of work, and I do not hesitate to state that fact—"Elect me; I will see that parliament is called in September, and I will correct that situation."

Mr. Diefenbaker: Mr. Speaker, I would ask the hon. gentleman to quote that remark from me. And we have come to exactly the point I raised. The question asked last Thursday had to do with the excise tax, and the hon. gentleman is now back to the subject which you said a while ago could not be discussed, and which you would not permit to be discussed.

Mr. Martin (Essex East): I have not mentioned the excise tax once.

Mr. Green: On a point of order, Mr. Speaker, may I say further that the hon. member for Essex East has said this is the only point at issue in this debate today.

Mr. Speaker: This is the difficulty which some hon. members foresaw and suggested would relate to this motion, and it is one which hon. members will have to bear in mind when they ask the question of what may be done about unemployment in the automobile industry.

May I refer to subsection (f) of section 6 of standing order No. 26, which reads:

> The discussion under the motion must not raise any question which, according to the standing orders of the house, can only be debated on a distinct motion under notice.

It may not be easy to draw the line, but I think hon. members should keep away from proposals which can only be raised by substantive motion, and certainly that is the

category in which excise tax amendments fall. No excise tax change can be made without a substantive motion. While I do not say one cannot refer to what may be the cause of unemployment, I do ask hon. members to keep the debate as narrowly on track as possible, appreciating that we are interrupting the ordinary routine of the house.

Mr. Martin (Essex East): Mr. Speaker, I think Your Honour will agree at once that I have been scrupulous in my presentation with regard to the matter I have raised.

An hon. Member: Except by inference.

Mr. Martin (Essex East): My hon. friend may not like this, but we recall that when we were sitting over there, procedures such as this were used on a number of occasions, and the Prime Minister was always foremost in those projects.

The fact is, as I have stated, that we were confronted with this situation. Lay-offs were forecast on Friday by the heads of the three companies, the largest employers in the automobile industry. The Ford Motor Company of Canada had in the previous week laid off 2,400 workers, giving as the reason the matter which Your Honour has suggested we cannot deal with directly but which Your Honour said we have the right, as mature men and women in this house, to take note of, particularly if it is possible to have stories going out in the paper, as appear tonight, that the government proposes tomorrow to take action on the very matter about which we are complaining now.

The story has gone out that E.H. Walker, chairman of General Motors of Canada, said the Oshawa plant would be shut down Monday and Tuesday and that all overtime work would be eliminated immediately. Chrysler Corporation of Canada said production will be suspended next week pending clarification of a rumoured reduction in the excise tax. More than 16,000 workers will be affected by the lay-offs at these three companies. Chrysler in a statement said the production cuts were scheduled when—and then they go on to state something which is objectionable as far as this particular debate is concerned, but which hon. members will have in their minds.

The effect of this report, the published account states, has been to bring a complete halt to the shipment of cars from Canadian manufacturers to the dealers. And then the General Motors president said a decision concerning further shutdowns will be made as soon as more is known about the government's specific policy.

That being the situation, having in mind the Prime Minister's assurance that if he were elected parliament would be called in September and he would resolve this problem, and that by a deliberate policy either involving reduction or elimination he would provide the kind of stimulus needed—

Mr. Green: On a point of order, Mr. Speaker. Again the hon. member for Essex East is back on his one point which deals with excise tax. I submit he is out of order in proceeding along that line.

Mr. Speaker: I am sorry, I cannot go along with the hon. minister that far. I have indicated my view that proposals with respect to tax cannot be made in a debate of this kind, but I do not think I can prevent an hon. member discussing what he may think to be a cause of unemployment if he wishes to relate that to tax.

Mr. Martin (Essex East): Mr. Speaker, this matter is not a mystery, as hon. gentlemen opposite know perfectly well what is concerned. I should have thought that the Prime Minister would point out that there are difficulties—and as a former member of the government I understand that there are difficulties—but to take a position as he has done today that no hon. member has a right or a duty in face of this situation to raise a matter of this sort is, I submit, not in accordance with what I have always understood to be the attitude of the right hon. gentleman toward an hon. member's obligations.

The Prime Minister knows that this situation of unemployment in the automobile industry can be cured tomorrow if this government would simply make an announcement one way or another as to the course it proposes to follow with regard to a matter which is agitating not only the automobile industry but thousands of workers all over the country who are indirectly—

Mr. Hamilton (Notre Dame de Grace): What matter?

Mr. Martin (Essex East): The hon. member asks: "what matter"? The matter of the elimination or reduction of excise tax on automobiles.

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, on a point of order—

Mr. Martin (Essex East): You asked the question.

Mr. Hamilton (Notre Dame de Grace): On a point of order, is that not the subject you suggested as not being proper to be discussed at this time? The hon. member has actually mentioned it himself.

Mr. Speaker: I certainly did not intend to rule that no one should mention the matter of excise tax. All I intended to say in drawing this subsection to the attention of the house was that proposals respecting excise tax could not be made in this kind of debate. But as to the effect of the present excise tax or of a change in the excise tax as has been suggested; I do not see how that could be excluded from a debate on this issue, if you are going to accept the proposition that it has some bearing on the automobile industry.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, on a point of order, may I ask Your Honour to consider this: it is not possible, in my submission, for Your Honour to pursue the narrow line which, I believe in all fairness, you are trying to pursue. As I understand it, you ruled that although an hon. member may mention excise tax and its bearing on the situation, he may not make specific proposals with regard to the excise tax.

May I point out, however, that the only way in which excise tax can be discussed in general is by raising the most direct inference that the government should act now with regard to this tax. That is what the hon. member for Essex East has been seeking so assiduously to avoid; he has been trying hard to avoid falling into that hole, while always suggesting what the government's proposals should be.

My point is this, Mr. Speaker: That discussion is entirely out of order because the government would be committing the most deliberate breach of the constitutional rules if it gave any indication of its intentions with regard to excise tax.

Mr. Pickersgill: The rest of us have to be gagged.

Mr. Fulton: I have heard my hon. friend in the government of which he was a member many, many times give us what I thought was a correct answer although we did not always like it—

Mr. Stick: Now you are changing your tune.

Mr. Fulton: I never said it was incorrect; namely that the government's intentions with regard to the budget and with regard to taxation measures will be announced to the house when the government's decision has been made.

Mr. Pickersgill: My hon. friend is not in the government any longer.

Mr. Fulton: What my hon. friends are asking the government to do is to say what are its intentions with regard to excise tax. My hon. friend would, of course,—and quite properly so—be the very first to raise the loudest outcries of outrage if we did indicate at this stage what were our intentions with regard to the excise tax. The Prime Minister has gone as far as the leader of the government can go in saying that it is intended to introduce taxation measures as soon as possible. Mr. Speaker, I submit to you that while it may be very pleasant for hon. members opposite to indulge in this skating exercise, the fact of the matter is they are out of order and they know they are out of order. What has taken place so far, Mr. Speaker, I submit to you with respect, proves to us all that the whole debate is out of order.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to say a few words on the point of order which has been raised by the Minister of Justice (Mr. Fulton). I am not absolutely sure what his point of order is unless he is contending that Your Honour made a wrong ruling when you permitted this debate to take place. I hope that is not the burden of what the Minister of Justice just said. It seems to me, Mr. Speaker, that what you have a right to deny in this debate is the right of the government to announce in advance any changes that it proposes to present to parliament, changes which may be made tomorrow, according to tonight's papers, or maybe later on. But as for the right of members of the house who are not members of the government to urge, as a means of eliminating unemployment or for other reasons, that there be tax changes, I suggest that that right has been exercised in the past.

I have vivid recollections of some motions of my own having to do with the deductibility of medical expenses for income tax purposes, the deductibility of trade union dues for income tax purposes and other matters which were proposed in motions of that kind on this side of the house, and which were supported by the Minister of Finance (Mr. Fleming), the Minister of Justice, the Minister of Public Works (Mr. Green) and others. The Liberals, who were then over on that side of the house, did not object to our having the debate, did not object to our making the request. What they did object to—

Mr. Sinclair: We said you could debate them.

Mr. Knowles (Winnipeg North Centre): The member for Coast-Capilano was one of those who used to say: "You can debate this, boys, but we cannot tell you the answer because this is a secret until the budget is announced".

I submit that is the position. It may seem unfair that the members of the cabinet have certain facts which they cannot give to the house until they are ready to do so, but I submit it is perfectly in order for members of the House of Commons to urge as a means of eliminating unemployment, or for any reason, that there be tax changes. We might suggest something that would elicit from the government what their intentions are and I hope we can. But if they stand on their rights and insist it is their right to refuse to answer, there is nothing we can do about it. But I submit that hon. members opposite, the Minister of Public Works, the Postmaster General (Mr. Hamilton) and the Minister of Justice, should just think back in the recesses of their memories to a few short months ago and recall how often on this side of the house they tried to get information as to the government's intentions regarding tax changes.

Mr. Hamilton (Notre Dame de Grace): Not in this way.

Mr. Pickersgill: No?

Mr. Knowles (Winnipeg North Centre): The Conservatives when they were in opposition perhaps did not do it by means of using standing order 26, but I can think of other means that were more effective. The Conservatives voted several times for my motion to allow all medical expenses to be deductible for income tax purposes. That was a request to the then Liberal government and on one occasion the house voted for it.

Mr. Sinclair: Only for consideration of it.

Mr. Knowles (Winnipeg North Centre): I accept the word of the hon. member for Coast-Capilano that consideration was asked for by this side of the house, and on one occasion the house voted for it and we still did not get it. As to what the government's intentions are it looks to me as though we have an indication of it in the newspapers tonight. It has gone all over Canada that there is to be an announcement tomorrow, and that—

Mr. Speaker: Order. The hon. member is departing somewhat from the point which he raised, which was as to the extent that a discussion of excise taxes would be permissible. As I understand the argument of the hon. member for Essex East (Mr. Martin), it is that unemployment in the industry is in some way related to uncertainty about taxation and it seems to me that is a perfectly proper course to pursue on this motion. I see nothing in the course that has been followed thus far to compel the government to do anything that would be a breach of its responsibilities with respect to taxation. After all, it is the responsibility of the government to decide on and to introduce the appropriate resolution when it wishes to make changes in taxation and it is not compelled by anything that has taken place here to abdicate its responsibilities. Perhaps I have got myself into a rather untenable position in trying to say that you can discuss excise taxes in their relationship to unemployment in the automobile industry and not discuss the rate of taxation. I shall probably have to abandon that position. I do ask hon. members to keep themselves as far as they can on the subject of unemployment in the automobile industry.

Mr. Martin (Essex East): I am sure the house generally is disposed to assist Your Honour in the discharge of your heavy obligations. The point that has been made by the hon. member for Winnipeg North Centre it seems to me is a valid one. It is one that I did not press because I recognized the position in which Your Honour was, but now that it has been pressed and a clarification has taken place the situation, of course, is that much easier. But my own observations were made in answer to a question by the Postmaster General. He was the one who asked me to state how this particular problem could be corrected, and he himself raised a point of order because I replied to the question which he himself had asked me.

Now, the situation clearly is this. No one has the right to tell the government what its taxation policy should be. We have the right to argue, or to urge, that we believe a particular course should be followed but it is up to the Minister of Finance to declare the government's financial policy. Surely, it is the right of any member of parliament, speaking for a group of constituents who he believes need government attention and assistance, to lay before the government and before parliament what he conceives at the particular moment will be the most effective remedy. There can be no doubt about that.

I referred at the beginning to the promises made by this government during the course of the last election; and that the uncertainty, the stagnation, in the automobile industry dates from the promises made by the right hon. gentleman, the Prime Minister, who led the people of Canada and the industry to believe that once he got into office there would be changes made immediately in the excise tax and that those changes would remove the lack of sales and consequential unemployment.

If that is the situation since the ninth day of May when the right hon. gentleman made this promise in the city of Windsor, there have been a whole series of intervening observations and actions by the government in one form or another that have only added to this uncertainty. The Minister of Finance

during the course of the summer, when the Prime Minister was at the prime ministers' conference, clearly indicated in a Canadian Press dispatch that there would be reductions of taxes as well as certain other modifications in existing legislation. That statement caused everyone in Canada to believe that at the earliest opportunity there was going to be a reduction or elimination of the excise tax which in its origin, Mr. Speaker, is a war tax, a tax imposed by previous administrations as a war measure.

Mr. Nowlan: So is the sales tax.

Mr. Sinclair: You are going to remove that too, you say.

Mr. Martin (Essex East): That is another matter. In 1952 the excise tax on automobiles was 25 per cent. That tax was reduced from 25 per cent to 15 per cent, and in 1955 the tax was reduced from 15 per cent to 10 per cent. It is significant that when confronted with the very kind of situation that now confronts the government of the day my leader, the former prime minister, in speaking of this tax pointed out that it had been reduced on two occasions and with reference to the period from January 1 until May 9, the day that the present Prime Minister made his promise with regard to the excise tax, the Leader of the Opposition (Mr. St. Laurent) went on to point out that in the first quarter of the present year sales of new cars in Canada were up by 18 per cent and that on that account he did not feel that the retention of the 10 per cent excise tax was a discouragement to employment at that time. But these are the significant words which my leader added. He said:

> To those who inquire whether there is a possibility of a further adjustment of the excise tax, I can only answer that should it become evident that sales were being adversely affected and that the benefit of a further adjustment would be passed on to the buying public, this new aspect of the situation would naturally have to be carefully considered.

But that situation is not the situation that now confronts us. Sales are down. When the Leader of the Opposition made that statement last June in the city of Windsor he had the background of an 18 per cent increase in sales for the first quarter of this year over the previous year. Now sales have gone down to a perilous point. According to the announcement the Chrysler and Ford plants will be completely shut down tomorrow or the next day and General Motors is now shut down, let alone the many allied plants of all kinds associated in one way or another with the automobile industry, parts plants and so on. They obviously will be affected.

Whether or not it is just that the automobile manufacturers should have taken this action, I do not comment. I simply say that whether or not it is just the fact before the house is that men are out of work because their employers believe that the uncertainty of government policy is responsible for this situation. All that we ask the government to do today is to give an indication at once of its intentions. It can do that. The government does not need to wait until it brings in its budget. In view of the emergent situation, the Prime Minister can rise right now and say that as of this day the tax shall be reduced to a certain percentage or it shall be completely eliminated. That course has been followed before in an emergent situation.

Mr. Diefenbaker: When?

Mr. Martin (Essex East): I just do not recall but I do know—

Some hon. Members: Oh, oh!

Mr. Martin (Essex East): All right. My hon. friend—

Mr. Diefenbaker: When?

Mr. Martin (Essex East): Let me ask my hon. friend—

Mr. Diefenbaker: I am asking you to answer that question. When was that done?

Mr. Martin (Essex East): My hon. friend is perfectly justified in asking that question and after the dinner recess I will give him the answer. Let me ask my hon. friend this.

Mr. Knowles (Winnipeg North Centre): Will the hon. member permit a question?

Mr. Martin (Essex East): Does the Prime Minister know of any constitutional reason why he cannot do that?

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Martin (Essex East): I have asked a question. Does my right hon. friend know of any constitutional reason why he cannot, in order to correct this situation, rise in his place now and make a statement? I am not saying he should be pressed if his government has not considered the matter but if it has I ask him why he should not rise in his place and say that the government is going to or it is not. Remove this uncertainty. That is all we are asking.

Mr. Diefenbaker: I rise. That suggestion would make the biggest caricature of responsible government in this country, and my hon. friend knows that. I repeat what I said earlier, that all of this is simply subterfuge on his part.

Labour Conditions

Mr. Martin (Essex East): Mr. Speaker, I do not propose to let my hon. friend get away with the remark that this is subterfuge.

Mr. Diefenbaker: That is what it is.

Mr. Martin (Essex East): I ask you, Mr. Speaker, to ask the Prime Minister to withdraw those words. There is nothing in my whole public life—

Some hon. Members: Oh, oh!

Some hon. Members: Withdraw! Withdraw!

Mr. Martin (Essex East):—that would warrant any hon. gentleman saying that I resort to subterfuge. I am interested in the welfare of my constituents and I ask the Prime Minister to withdraw that remark.

Some hon. Members: Withdraw!

Mr. Speaker: Apparently the hon. member has taken offence at the word "subterfuge". While it is certainly not a word that one plays with, it is not to my mind one that should not be used to describe a course of conduct in the house and I must say I cannot ask the Prime Minister to withdraw the statement he has made.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question? Is it not a fact that every time excise tax changes are made they are made on the introduction of a notice of motion by the finance minister and become effective at that moment or at midnight that night—

Mr. Martin (Essex East): That is right.

Mr. Knowles (Winnipeg North Centre): —subject to later approval by parliament? Is there anything out of keeping in that practice, which has been followed across the years, with the concept of responsible government?

Mr. Martin (Essex East): Mr. Speaker, the hon. member for Winnipeg North Centre is, of course, right. That has happened repeatedly. However, there is one good case I do not have directly in mind at the moment but I will show it to the Prime Minister after dinner because I was reviewing it with others before the sitting commenced at 2.30. Incidentally, I will not pursue my objection. His Honour has said that the word "subterfuge" is not unparliamentary. I bow to Your Honour's ruling in this particular, but I should have thought that the Prime Minister, the leader of the house, would be the last man in the world to use that kind of remark towards any other hon. member.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Sinclair: He is a master of it himself.

[Mr. Diefenbaker.]

Mr. Martin (Essex East): Subject to the reservation I made, namely if the government has considered the matter, the right hon. gentleman could rise today and make a statement. If that is not the case I appreciate that he should not be asked to do so but if that is the situation there is nothing to preclude him, if he thought it desirable, from rising in his place, or possibly one of his ministers, and saying that effective as of this date, so that no advantage can be taken from the announcement, the situation will be such and such, that there will be nothing done or that something will be done.

It stands to reason that in the face of the situation that confronts us since the promise made by the Prime Minister on the 10th of May the public were perfectly justified in the expectations that they had that there would be elimination or reduction of this tax as a means of stimulating sales, as a means of maintaining employment at a level higher than it was a few days ago.

Now, I suspect that if the hon. gentleman replies he will say that the member for Essex East has given his case away already because the hon. member referred to the fact that when I made this promise there were 7,000 men out of work in Windsor. There were 7,000 men out of work as I have indicated, but my hon. friend will not be on strong ground unless he looks back over the record of employment in the automobile industry in the past decade and he will find that employment in the automobile industry was at its highest level during the time when the Leader of the Opposition (Mr. St. Laurent) was Prime Minister of this country.

An hon. Member: Because no cars were produced during the war.

Mr. Martin (Essex East): During the war and long after the war. When I came into this house, and the hon. member for Essex West (Mr. Brown) can bear me out in this as can other hon. members, in 1935 over 60 per cent of the people in the community were on relief and had been on relief for a period of over three years. The amount of employment in our city and in the neighbouring communities was proportionate. This situation has never been the rule since.

Mr. Starr: May I ask the hon. member a question? Will the hon. member explain what happened to the automobile industry in Windsor on November 22, 1956, when there were approximately 7,000 people unemployed?

Mr. Martin (Essex East): During the whole period there have been men out of work. Since my hon. friend comes from Oshawa he knows better than any other member sitting on that side the nature of the automobile industry. During the past decade there have

been periods of two or three months when there have been these loads of unemployed.

What we are pointing out today is that not only is there unemployment but the plants have been closed down. What is the reason for that? Allegedly the reason is the unwillingness of this government, in spite of the fact that we have been sitting here since October 14, to declare its policy. All we ask is that—

An hon. Member: Nonsense.

Mr. Martin (Essex East): Someone says "Nonsense". Apparently that is the level of the contribution made by that hon. gentleman. We are discussing a very important matter. I ask the government to state its policy unequivocally so that we can ascertain the extent to which this particular policy of taxation is responsible for this situation.

Before I resume my seat I want to inform the government that it will not only be enough, as a means of stimulating sales in the present situation or as a means of stimulating employment, for the government to take a positive step either by way of reduction or elimination of the tax, but if the government is going to stimulate buying power, if it is going to stimulate sales, if it is going to maintain employment, then if a tax reduction does occur the government must see that reduction is passed on to the consuming public. I realize that there are difficulties in that. It will not satisfy this situation if the price of cars should go up, taking advantage of this particular situation.

Now, that did happen on one occasion when a reduction was made. When the reduction was made from 25 per cent to 15 per cent that reduction was not passed on to the consumer and the advantage that could have flowed from that reduction by way of stimulating sales was not provided.

Mr. Nowlan: Was it passed on to the dealer?

Mr. Martin (Essex East): I think there were some difficulties at that time.

Mr. Nowlan: What about the reduction from 15 per cent to 10 per cent, was that passed on?

Mr. Martin (Essex East): My hon. friend has raised a very important point. The other day I asked the Minister of Finance if there were elimination of or a reduction in the tax, would he satisfy the dealer as to his liability when the tax changes were announced. The Minister of Finance did give a statement which should have satisfied the dealers, but unfortunately the statement was clouded with a whole series of parentheses and reservations that made it difficult to follow. I think it would be desirable, even now, for the government to make an unequivocal statement, as the minister of finance did last May when the policy of the government with regard to the tax in so far as the dealers were concerned was announced. If those things are done, and if the government states its position as quickly as possible one way or the other, I am sure it will help to mitigate the severity of this situation.

We have used strong words today on both sides, largely because we all recognize what unemployment means in our society. We are faced with a situation in the country which in this particular debate I am precluded from mentioning, but this is part of the whole unemployment problem. It is one that must be faced and it is one which, in this particular instance, can be faced by a government which, on the eve of the election, was courageous and positive. We are simply asking for the development of a similar attitude that is positive and a character that is courageous, so that we can deal with a situation which has arisen long after the election.

Mr. M. J. Coldwell (Rosetown-Biggar): I rise to support the hon. member for Essex East (Mr. Martin). I feel that the debate this afternoon was fully justified. I think that in the automobile industry, with growing unemployment, there was a great deal of misgiving as to what the future would be. I want to say to the government that this situation has arisen, like other situations might arise, first of all because of the failure to call parliament early enough. There may have been good reasons why the government did not call parliament early enough, but certainly one of the reasons for the present situation is that parliament was not called sufficiently early to deal with these problems. The second reason is this. I would remind my hon. friends of the Liberal party that when we moved an amendment in reply to the address we regretted that inflation and unemployment were not mentioned in the speech from the throne. My Liberal friends did not support us in that contention in supporting the amendment which we moved.

However, this situation has arisen because of another reason. The other reason is we have had no budget. If we had had a budget then a matter of this description would have been properly dealt with and properly decided. This doubt that has arisen in the public mind and in the mind of the industry which is resulting in such disastrous unemployment in Windsor, in Oshawa, in Hamilton would not have arisen. The results are being felt in St. Catharines, Welland, Brantford and other cities in this province because they are largely dependent on the

automobile industry in the manufacturing of parts, tires and other equipment for the automobile industry. Brantford, for example, has taken a trimming over the years because of the fall of agricultural prices. Now, of course, those citizens will feel the pinch again because of unemployment and lay-offs in the automobile industry. When I was in Brantford two or three weeks ago I was told by the mayor that not so many years ago there were 15,000 men employed in the agricultural implement industry in that city. When I was there three weeks ago there were 7,000 employed in that same industry, and some of them had been transferred from the agricultural industry to manufacturing parts for automobiles.

One can see, therefore, that this matter is not the concern only of Essex East. This does not concern only Windsor; it does not concern only Oshawa or Hamilton, it concerns a very large number of other places in this country today. In view of the dangerous level to which unemployment has already risen in Canada, the fact that this confusion has arisen over whether or not the excise tax is going to be reduced from 10 per cent to 5 per cent or is to be wiped out is an aggravation of that unemployment situation.

So I am rising this afternoon to support the contention of the hon. member for Essex East. But there again, in view of the financial situation and in view of the position of other industries in this country, I think the question of whether taxes are to be lowered or raised, whether through income tax reductions more purchasing power is given whereby people may buy more things to help alleviate the unemployment situation and whether this tax is going to be reduced or eliminated, should be included in a review of the financial situation in this country by means of a budget. I do not think it is satisfactory for the Minister of Finance (Mr. Fleming) to rise in his place perhaps tomorrow or next week and make some announcement.

I want to say to the government that I do not know how the rumour got abroad that a reduction was going to be made in the excise tax. Whether or not there was a leak, I do not know. But because that story appeared in a paper that is regarded as being very close to the present administration, namely the Toronto *Telegram*, great credence was given to it. There may be other factors in this situation also, of which some of us may not be unaware. When the story appeared in the press it may have alerted the automobile industry. The management and the owners of the automobile industry might have considered that at last they had been handed a very good lever by means of which to get rid of this tax and to put the government thoroughly on the spot in relation to it. I do not think we can discount that possibility. But whether or not that was the intention of the management, it is not the management that will suffer. It is the workers in the industry who are going to suffer.

As far as I am concerned, I am not interested in the high profits of General Motors, Ford or Chrysler or in the payment of big bonuses to the management of those automobile organizations. I am interested in the condition of the men and women who work in that industry. They are out of work today and are threatened with more unemployment unless something is done. I recall that the Prime Minister (Mr. Diefenbaker) in his radio address on November 8 deprecated our talking about unemployment, said that warning of the dangers of unemployment was a dangerous course to follow and one which, he suggested, could lead to a depression.

We are not suggesting that the unemployment in this one industry is leading to a recession or depression but we are concerned with the general condition across the country. The more unemployment we have in the automobile industry, the larger are the figures which are already startling. The statistics that we have indicate the seriousness of the problem, to which unemployment in the automobile industry is adding. Unplaced applicants in October of this year, 1957, according to the latest figures, numbered 280,000 compared with 160,000 a year ago, a figure higher than the figure in October, 1954 when we were entering the bad winter of 1954-55. Of course it was not an opposition member who predicted that if unemployment continued to develop as it has been developing by the spring of next year we might have 750,000 people seeking work across this country. It was said by an official of the government. At a time when we are all worried over the condition of the working people in the various industries in this country this situation develops and I say that the government should clear it up and do so as rapidly as possible.

I blame the government for not bringing down a budget this autumn and allowing the people of Canada to know precisely what the financial condition of this country is, what the new taxation proposals were, whether they intend to reduce certain taxes, including income taxes, raise the exemption or what-have-you, in order that more purchasing power might be put in the hands of the people to help to buy the goods that industry

is producing. Because those goods cannot be sold unemployment is developing in those industries. As far as the automobile industry is concerned, probably sales were dropping. I think the automobile industry in this country—and we are not discussing that industry except in so far as it affects unemployment—has gone crazy in the production of comparatively high priced cars.

Mr. Thomas (Middlesex West): Mr. Speaker, I rise on a point of order. The point is this. I am open to correction if I am wrong. The hon. member for Essex East (Mr. Martin) asked and obtained leave of the house, through you, Mr. Speaker, to make that motion. As far as I am aware, no motion has yet been made. He was to make a motion to adjourn the house for the purpose of discussing an important matter. No motion has yet been made.

An hon. Member: Yes; there was.

Mr. Sinclair: He moved the adjournment of the house.

Mr. Thomas (Middlesex West): I would suggest to the hon. member for Essex East that he should make his motion. As long as there is no motion before the house, we have nothing to discuss.

Mr. Coldwell: Mr. Speaker, I gave way to the hon. gentleman but may I say that there is a motion before the house. The motion is that the house adjourn to discuss a matter of urgent public importance.

Mr. Fulton: May I speak to the point of order for a moment?

Mr. Coldwell: Yes.

Mr. Fulton: As I recall the matter quite clearly, when the hon. member for Essex East raised the matter he sent to Your Honour a statement of the matter he wished to discuss but he made no motion in writing—

Mr. Sinclair: Yes; he did.

Mr. Fulton: —and he handed him no motion. I will ask Your Honour whether you have before you a motion to adjourn signed by the hon. member for Essex East and seconded by another hon. member. I understood Your Honour to say that you had no motion but merely a statement of the matter proposed to be discussed. I point out that the hon. member made no motion while he was on his feet. I point out that the hon. member, having concluded his speech, is debarred from rising. I suggest that there is no question before the house and that the house must proceed to the matter which was interrupted when the hon. member raised it about 3.30 o'clock.

Mr. Sinclair: Closure.

Mr. Martin (Essex East): May I speak to the point of order?

Mr. Speaker: Yes. I should like to hear the point of order discussed.

Mr. Martin (Essex East): I am sorry to interrupt the very interesting speech made by the hon. member for Rosetown-Biggar (Mr. Coldwell) but he will understand that it is only owing to the remarks made by the Minister of Justice (Mr. Fulton).

Mr. Coldwell: I gave way.

Mr. Martin (Essex East): The Minister of Justice said—and perhaps this is a new form of closure—that I would not have the right to speak.

Mr. Fulton: No. I said the hon. member would not have the right to make a motion.

Mr. Speaker: May I hear the hon. member on the point of order?

Mr. Martin (Essex East): Quite right, Mr. Speaker. I could not resist taking up the challenge.

Mr. Fulton: The hon. member is misinterpreting my remarks as usual. He is so confused about procedure that he cannot understand anything rightly.

Mr. Martin (Essex East): The Minister of Justice who is now a great lawyer and the most lucid member in the house can say these things. I acknowledge the superior quality of his intellect.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Mr. Speaker, standing order 26 is quite clear. The first section thereof reads as follows:

> 26. (1) Leave to make a motion for the adjournment of the house when made for the purpose of discussing a definite matter of urgent public importance must be asked after starred questions on Wednesdays and on other days after the ordinary daily routine of business, standing order 15 (2), has been concluded.

We have done that today. Then here is a pertinent thing which the Minister of Justice obviously has not done and that is to read the relevant standing order which is as follows:

> (2) The member desiring to make such a motion rises in his place,—

I think the Minister of Justice will admit that I did that, at least.

> —asks leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance,—

And I think the Minister of Justice, who now nods his head, acknowledges that I did that.

—and states the matter.

I have stated the matter. It did not have to be stated in the motion.

Mr. Fulton: You forgot to move the motion.

Mr. Martin (Essex East): No, I did not. The only motion is "I move the adjournment of the house". That is the only motion before His Honour. Then you state why you move it, state the matter. Then subsection 3 is clear:

(3) He then hands a written statement of the matter proposed to be discussed to Mr. Speaker,—

That I did. I handed the Speaker a written statement which is not in the form of a motion. Standing order 26, I submit, is so clear that not even the Minister of Justice would be tripped by its reading.

Mr. Fulton: May I point out that subsection 5 of rule 26 reads as follows:

(5) Except with the requisite leave or support, the motion cannot be made.

Mr. Martin (Essex East): That is right.

Mr. Fulton: What my hon. friend did first was quite proper. He asked leave to move a motion to adjourn the house. The house gave him leave but my hon. friend neglected to make this motion, which shows how much seriousness he attached to the subject matter that he sought to bring before the house.

Some hon. Members: Oh, oh.

Mr. Fulton: Yes, because my hon. friend made this very clear from the words of his motion which Your Honour read out and which were not the usual words which would have been: "I beg leave to move the adjournment of the house for the purpose of discussing a matter of urgent public importance". No, my hon. friend knew better; he departed from the time-honoured custom and therefore there is no motion. What I am pointing out is that thereby he did not realize that he was not making a motion; he could have corrected his error had he, during the course of his speech or at the conclusion of his speech, sent to Your Honour a motion, signed by himself and seconded by another member, that the house be adjourned.

Mr. Chevrier: He had already done that.

Mr. Fulton: But unless Your Honour corrects me, I think the situation is that you have no motion before you signed by the hon. member for Essex East and seconded by another hon. member without which there can be no motion. During the course of his speech he said he was going to beg leave to move the adjournment of the house but he did not do so. I submit there is, therefore, no motion before the house.

Mr. Speaker: Order. Does the hon. member wish to speak again on his point of order?

Mr. Sinclair: I barely started and the hon. the Minister of Justice interrupted me—

Mr. Thomas (Middlesex West): If I may, Mr. Speaker,—I was interrupted in the first place. I appreciate the support of the Minister of Justice, but I would like to say that I was very careful from the time when the member for Essex East began to speak until he had finished to watch the proceedings most closely all the way through and that is why I raised the question and brought it to the attention of the hon. Minister of Justice. There has been no motion moved in this house so far as I am aware. The hon. member for Essex East has been granted the leave of this house to make his motion but, up to the present time, he has not made it. Perhaps there is still an opportunity for him to do so.

Some hon. Members: No.

Mr. Thomas (Middlesex West): And then after the motion is put there can be a vote taken upon it at a later time.

Mr. Speaker: Technically I think the basis for the point of order is correct for, as I recall the sequence of events which the Clerk confirms to me, the hon. member did receive the leave of the house by 20 members rising in their places, as is required, although no formal motion was made after that. Therefore, technically the point of order is properly taken but it is, of course, taken somewhat after the event and I have not been advised as to what would be the consequences of accepting the point of order at this time. I think a point of order is properly taken at the time when it arises and when it is possible to deal with it.

Mr. Fulton: Will you hear argument, Mr. Speaker, on this point?

Mr. Speaker: Well, yes. I am in difficulties on this and I would like to hear what would be the consequences of accepting the point of order at this time.

Mr. Coldwell: Mr. Speaker, I think you will recall I still have the floor.

Mr. Fulton: I think, Your Honour, it was necessary to let some few moments go by after the hon. member for Essex East had completed his speech, because until he had sat down and the hon. member for Rosetown-Biggar had taken the floor no one could be certain that the hon. gentleman was through and that he did not intend to, or would refrain from, moving a motion. After

he allowed the hon. member for Rosetown-Biggar to proceed with his speech for some few minutes it became perfectly obvious that the hon. member for Essex East did not in fact intend to move the motion and it then became appropriate for the hon. member who raised the point of order so to do. I submit, therefore, that the point of order was raised at the first moment at which it could be raised; that is to say, at the first moment when it was certain that the hon. member for Essex East did not in fact intend to present the motion.

Now as to the consequences of accepting the point of order, I suggest it is simply that there is no question before the house and therefore the subject matter sought to be raised by the hon. member for Essex East is no longer before the house and that the house revert to the position on the order paper at which it stood when the hon. member sought leave to make his motion, which motion he refrained from making.

Mr. Coldwell: Mr. Speaker, while it may be true that the hon. member for Essex East did not move the motion he did give notice that the motion was to be moved. Mr. Speaker, would you accept the motion from me? I move that the house adjourn so that we may discuss this urgent matter of public importance.

Some hon. Members: Hear, hear.

Mr. Speaker: I think we have heard enough about this point in order to be able to deal with it effectively, and I hope to the satisfaction of the house. Actually the point was well taken but the house proceeded—

Mr. Martin (Essex East): Certainly.

Mr. Speaker: —on the basis that a motion was before it and it tacitly gave unanimous consent to any irregularity which proceeded. If the point had been raised immediately it could have been dealt with and resolved. A member is free to rise and make a point of order at the time but I do not see how, after an hour and a half of debate on a motion supposedly before the house, we can then revert to the earlier position. It would lead to complete confusion in debates.

Mr. Thomas (Middlesex West): May I say something more on this point—

Mr. Speaker: No, I have ruled and that is the end of it, unless the house chooses to challenge my ruling.

Mr. Coldwell: I suggest the matter could be put in order by my moving the motion, but if you do not wish me to do so—

Mr. Speaker: No, I think that would be piling irregularity upon irregularity. I think the members should proceed with the debate.

Mr. Coldwell: What I was proceeding to say when I was interrupted by the point of order, Mr. Speaker—which point of order was properly taken, I might say, and I have no objection to being interrupted on that account because I think in the future those hon. members who want to discuss matters of urgent public importance will see that they fulfil the requirements of the rule book.

I have been a member of this house for 22 years and this is the first time this point has been raised in the manner in which it was raised this afternoon. I do not recall any occasion quite like it. However, the debate has proceeded. I was saying that in view of the growing unemployment situation, the fact that lay-off announcements have been made by the automobile companies indicates how necessary it is for the government to take immediate action to resolve this situation. Mr. Walker, the president of General Motors of Canada, said the Oshawa plant will be shut down Monday and Tuesday, that is today and tomorrow and all overtime work will be eliminated immediately. This will mean that some 16,400 men in Oshawa alone will be affected, apart altogether from the McKinnon industries at St. Catharines and the other industries making parts for General Motors plant at Oshawa and which as I have said spread right out into the country.

Chrysler did the same thing and said:

> —the production cuts were scheduled when "widely-circulated but unsubstantiated news reports stated that a reduction in the excise tax is imminent. The effect of this report has been to bring a complete halt to the shipment of cars from Canadian manufacturers to the dealers."

Dealers on another occasion were caught when a sudden reduction was made in the excise tax and no adequate compensation was provided for the losses they sustained thereafter. I remember, in travelling around my own constituency shortly after the session in which that was done, that I found automobile dealers who were in very difficult circumstances because of the manner in which the reduction in the tax had to be absorbed by the dealers and which the company did not absorb.

To continue my quotation the president of General Motors said:

> A decision concerning further shutdowns will be made as soon as more is known about the government's specific plan regarding excise tax costs.
>
> Ford said it will continue with its early cutback program and plans no further reductions because of the decision of the other two companies.

And since that time Mr. Clifford Pilkey, president of Local 222, United Automobile Workers said that:

> Protests have been sent to Finance Minister Fleming and Labour Minister Starr.
>
> It is really peculiar that a company which has been hiring so many extra men recently should close down because of newspaper reports or other information that the excise tax is to be reduced.
>
> Mr. Pilkey said: "General Motors have reacted like the stock market would to General Eisenhower's illness."

That is true, as I said earlier. I think that probably the management of some of these companies are very anxious indeed to use this as a lever to get rid of a tax for whose elimination they have been asking for some considerable time. As I say, while I have no sympathy with the people who have been receiving large bonuses—with the executives of these corporations—I have every sympathy for the men and women who are perhaps being used as pawns in an endeavour to get rid of a tax. I hope the government will make an announcement. There is only one thing for the government to do now; it has been put squarely on the spot, and it must announce either that the tax has been reduced to 5 per cent or that it has been eliminated altogether.

Mr. Sinclair: Abolished. That is what the Prime Minister said.

Mr. Coldwell: They tell me that the Prime Minister promised to eliminate the tax. I did not hear it. I know that the members of the official opposition keep very close tabs on what the Prime Minister says, and so do we, but I did not hear of that statement.

Mr. Sinclair: On May 29 in Oshawa.

Mr. Coldwell: In Oshawa?

Mr. Diefenbaker: That is not correct. At no time directly or indirectly, did I say that. What I said was—and I repeated it throughout the campaign—that this tax had an effect and that consideration should be given to its reduction in any event.

Mr. Sinclair: That is not the way the Ottawa *Citizen* reported you on May 30.

Mr. Diefenbaker: I am not responsible for that.

Mr. Sinclair: You certainly did not correct it and say it was untrue.

Mr. Diefenbaker: Well, well.

Mr. Sinclair: You said it would be abolished.

Mr. Coldwell: Mr. Speaker, I am not going to enter into an argument about something on which I am uncertain, so I will leave the former minister of fisheries and the present Prime Minister to argue the matter out. I am not going to get between two fires. We in the C.C.F. party occasionally do that, and usually it is not to our benefit.

Mr. Pearkes: What book is that?

Mr. Sinclair: A book of newspaper cuttings. You will be hearing plenty about it.

Mr. Coldwell: My point is that because of the unemployment situation which has arisen, and because of the reports which have appeared in the papers, the government should make some immediate announcement and say either that it is going to do nothing with regard to this tax or that it is going to eliminate it altogether. If the government is going to reduce it by 5 per cent, as the newspaper reports indicate, it should make a speedy announcement. I ask this not on behalf of the shareholders or the management of the industry but on behalf of the working men and women whose jobs in that industry are adversely affected, and on behalf of many men and women in other parts of Canada whose livelihood and employment would be affected if this question is not settled immediately. Of course, this question is not limited to those directly concerned with the industry itself, it stems back to the steel industry, because rolled steel is used largely in the automobile industry, and some of our steel plants are looking for outlets for their rolled steel and so on.

Thus, Mr. Speaker, this is a serious matter. The hon. member for Essex East was well advised to bring this matter up today, and I am hopeful that we shall get an announcement from the government. I would remind the Prime Minister that on one occasion a former minister of finance made an announcement not in this house but over the radio, and that announcement was approved later on by this House of Commons by the other place and, thereby, by the parliament of Canada. So I appeal for an immediate announcement as to what the government intends to do, either to continue the tax, which I hope it will not do, reduce it to 5 per cent or, better still, eliminate it altogether.

Mr. Johnston (Bow River): 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. F. C. Christian (Okanagan Boundary): Mr. Speaker, the hon. member for Bow River (Mr. Johnston) is not here and I am prepared to say a few words in connection with

this debate. We have heard today, and we are well aware of the fact, that the problem of unemployment is of nationwide concern. The cities of Windsor and Hamilton have been mentioned, in which places there are a large number of people who work in the automobile industry and who are now out of employment. I understand that approximately 16,000 people are affected. This is a very serious situation. It is not only the workers in this industry who are affected but other people as well who rely directly and indirectly upon the industry for a livelihood.

I personally have received a telegram from various members of the Penticton motor dealers association, which telegram urges me to do everything possible to arrange protection for dealers who have new automobiles in stock and en route in the event a reduction in tax is decided upon. It suggests that there should be a plan whereby dealers could be assured of a rebate on all new cars on hand unsold and unused at the time of the change.

As I said before, this matter is of very serious concern to the nation, and it would seem that the government should at this time declare its intention one way or the other whether the present excise tax is to stay as it is or to be reduced. In addition, I would say further that ever since the house opened on October 14 last questions have been asked by members of the opposition parties as to when the government proposes to bring down a budget and so far there is no indication one way or the other in that respect. I feel that we as members of parliament should know what the nature of the income and expenses is expected to be. Accordingly, I urge the government to give every consideration to the problem that is now facing the people of this country.

Hon. George C. Nowlan (Minister of National Revenue): The matter raised this afternoon by the hon. member for Essex East (Mr. Martin) did not cover the whole panoply of unemployment but was specifically directed toward unemployment in certain industries. He referred more or less euphemistically to certain things which might be done to correct that situation. Since the hon. member for Okanagan Boundary (Mr. Christian), who has just taken his seat, also made direct reference to the matter of excise tax on automobiles I thought that for a moment or two I should perhaps deal with that situation within the scope of this debate because I know that the hon. gentleman opposite who moved this motion is not one of the Snow White and Seven Dwarfs, living in a state of fantasy, but is dealing specifically with this problem although trying to keep within the rules by avoiding any direct reference to it.

What is there, Mr. Speaker, that distinguishes this situation from other situations in other years? This parliament met on the 14th day of October. We are now in the second day of December and we have been here for a matter of one month and two weeks. We are told that owing to some delay in making some announcement this country is facing a very serious situation. It is a story, Mr. Speaker, which is not entirely original at this time; it is one which many of us have heard before. What distinguishes it? Can we tell this, from other years? Well, we are told that there was one newspaper story. In other years during which many of us have been here there have been scores of newspaper stories speculating on what might be done by the Minister of Finance on a certain unknown date, in a certain indefinite time in the future, and I do not know that the country went entirely to wrack and ruin because of this large number of newspaper stories speculating on what Speaker, how much importance we can attach to that story, or how much should be attached to the suggestion of the hon. member for Rosetown-Biggar (Mr. Coldwell) as to what use could be made of that story to hold a club over the head of this government at this time? But if any people in this country—certainly not in this house; I would not think of that—think they can use a newspaper story to wield a club over the head of the government, then they are certainly sadly mistaken.

What else are we told? We are told that there is unemployment in the country at the present time, serious unemployment, and that it is a most tragic thing that the Minister of Finance (Mr. Fleming) has not yet made his announcement with respect to whatever the matter may be to which the hon. member for Essex East made reference this afternoon. Everyone knows, Mr. Speaker, that the unemployment of one man is a tragedy to that family and the unemployment of 100, 1,000 or 10,000 is a tragedy to all those directly concerned and to many others. It is not for me to deal with unemployment figures. My colleague, the Minister of Labour (Mr. Starr), can deal with those most effectively. But I suggest in all seriousness that to state that the degree of unemployment at this time is such as to compel the government to take action which has never been taken before and make premature disclosures of budget matters is absolutely not being realistic.

When the people who used to be on the other side of the house, some of whom are

now on this side, used to talk about unemployment the right hon. gentleman who was seated to the right of where the former prime minister sits tonight used to get up and bark and say, "Have you lost your faith in Canada? I have got faith in Canada." He would deal with the matter in that way. I think he deserved credit for that. Have the car manufacturers of this country lost faith in Canada? Have the car dealers lost faith in Canada? Have hon. gentlemen opposite lost faith in Canada? Surely not. Certainly their record in the past would not suggest that because just before I came downstairs tonight I happened to look up the dates on which budgets were brought down by the preceding administration, particularly for the year 1955 when we did have a very substantial degree of unemployment as the winter went on, in fact, the highest degree in our history.

At that time the then minister of finance reduced the excise tax on automobiles by one-third, bringing it down from 15 per cent to 10 per cent. No disclosure was made. No statement was made. There were no cries to heaven in the newspapers about the threat of a disaster or the complete collapse of a ministry. In 1955 parliament met on the 7th day of January and the buget was brought down on the 5th day of April. January, February and March went by, three months of the greatest unemployment this country had ever known. On the 5th of April the budget was brought down and included in it was a reduction of the excise tax on automobiles by one-third.

Yet it is being suggested here that this government in some way is contributing to unemployment, is creating something of a disaster, by refusing to deal with the matter realistically, by refusing to deal with it prematurely and at the whim and behest of a newspaper story such as that. The matter of tax reduction is, of course, one which is in the hands of the Minister of Finance. He makes the disclosures. He makes his recommendations to the cabinet and then in turn to the House of Commons. In 1957 the house opened on January 8 and the budget was brought down on March 14. In 1956 parliament opened on January 10 and the budget was brought down on March 20, and in 1955, as I said, which was the worst year of all for unemployment, over three months elapsed before the budget was brought down.

You know, Mr. Speaker, that old adage about those who came to scoff remained to pray certainly applies to those who are now in the opposition. When they were in the government they scoffed at the pleas of the then opposition to take some action with respect to those things about which they are now praying. What the government proposes to do with respect to taxation will, of course, be announced by the Minister of Finance at the proper time and in that way we will be following the practice which has been laid down ever since confederation.

I think some special reference should be made to legislation which was passed last year by this parliament. We hear rumours and reports—some people were in my office today—of almost a sit-down strike between the dealers and the manufacturers and that a very serious crisis is developing between them. It is not for us to deal with matters of trade between the people engaged in that tremendous business. I am sure they are competent and able and can solve their own differences.

But when anyone suggests it is the fault of the government that cars are not being shipped out I want to draw the attention of the house to a bill of the preceding government which was passed by parliament this year permitting manufacturers to ship automobiles on consignment to the dealers with the dealers not having to pay excise tax on them until they take title to them after they have made a sale. We were told at that time by the parliamentary assistant to the then minister of finance, and he is still a member of the house, that that was the answer to this problem, that in that way they were going to cure this difficulty. Either they misled the house, misunderstood the legislation or else we are being misled by these hon. gentlemen tonight when they raise this question because that is what we were told last session when this legislation was brought down. It is perfectly possible under that act today to ship cars to any dealer in the country on consignment. The dealer does not take title to them in law until he has arranged his financing, in other words, until he has made his sale, and therefore, according to the words of the parliamentary assistant to the then minister of finance in March of 1957, this problem could be solved very easily.

I do not blame the dealers, Mr. Speaker. The situation goes deeper than that. The fault for this problem, as my hon. friend knows who raised it this afternoon, actually lies with the former government, the government of which he was a distinguished member. That is where the responsibility lies. He told us this afternoon—I do not say boastingly—that his government had reduced the excise tax on automobiles from 25 per cent to 15 per cent and then had reduced it from 15 per cent to 10 per cent. That is perfectly true. But what did they do? They stuck the dealers with the excise tax every time.

We on this side of the house, supported by hon. gentlemen in both corners of the house, urged, pleaded and begged hon. gentlemen opposite when in government to do something about it. They just laughed it off. They said it could not be done and nothing was done. The dealers have made up their minds that they will not be stuck again. It may be that they have forgotten about the consignment act to which I referred a few moments ago but they have been burned twice by our predecessors and they do not realize there is a different government in power which will not stick them again if, as and when reductions are brought in.

In that regard I am in a position to say this. What may be done about reduction of taxation I do not know. It is a matter for the Minister of Finance to make his recommendations to his colleagues in the cabinet and, if approved there, to make his recommendations to parliament and then parliament can approve of them if it sees fit. What his recommendations may be, what they will be, I do not know. But once the recommendations are made it happens to be my responsibility to direct and head up the administration of the Department of National Revenue with its experienced and able officers. I may say, remembering when we sat in opposition and urged the case of the dealers, that I made up my mind that if my colleague the Minister of Finance did reduce the excise tax on automobiles I was not going to be in the position that my predecessor was when he sat here of having to say, "I refuse to do anything for the car dealers."

I was told first that nothing could be done. I asked that the decision be reviewed or considered. I am now satisfied, Mr. Speaker, and I know, after consultation wtih my officers, with the car manufacturers, with the car dealers, the presidents of the associations, the responsible men all across this country, that if—I emphasize again—a tax reduction is made in the excise tax on automobiles, the reduction on that tax will be passed on to the dealers who have cars in their possession at that time. They will not be stuck for them as they have been in the past by preceding governments. So, let us clear this up. Let us get down to facts and realities. Notwithstanding any consignment act or anything else, in the light of the statement I have just made there is no reason why manufacturers cannot start rolling their cars out to dealers tomorrow and have their dealers take possession.

There is nothing further I can say on this matter, Mr. Speaker. I have made the position clear so far as the Department of National Revenue is concerned. Although one cannot get too serious about this, I could not help but recall this afternoon the years during which my hon. friend sat with a dour look on his face parrying all the questions we asked about reductions in taxes and now he is worried about the fact that from October 14 to December 2 there has been no announcement made on tax reductions. I really felt sorry for him because I could just imagine the long worrying months and years he spent in trying to implore his colleagues to do something about health insurance, and that took him about seven years.

Mr. D. F. Brown (Essex West): Coming as I do from the constituency of Essex West, which comprises chiefly the city of Windsor, that is a great part of the city of Windsor and the township of Sandwich West, I am very vitally concerned with this matter. Unlike the speaker who has just sat down, and who feels he cannot get too serious about this matter, I think it is of very vital concern and one which goes to the very roots of the economic life of the whole of Canada. The automobile industry is not only applicable to those persons who are engaged in the handling and manufacture of automobiles, it goes to all parts of Canada, for most provinces in Canada contribute in some degree towards the manufacturing of automobiles, whether in Windsor, Oakville or Oshawa.

In addition to that, the secondary industries, the feeder plants in various municipalities in Ontario, Quebec, the maritimes and western Canada, are all affected by this matter. It is, therefore, of vital importance. It is something about which we should be most serious. The Minister of National Revenue (Mr. Nowlan) has posed a question as to whether we have lost faith in Canada. Certainly we have not lost faith in Canada. If we had lost faith in Canada, we would not be here. I hear a few weak voices, but I do not know what they are saying.

However, I shall answer the question as to whether we have lost faith in Canada. We, in the city of Windsor, have absolute confidence, not only in Canada but in ourselves, to play our part in the economic life of this country. All we are looking for is an opportunity to work and an opportunity to help develop this country. We are no alarmists. We are not pessimists, but we do expect co-operation. We expect co-operation from the government. Although the government may not have confidence in itself, we are willing to give them every opportunity of being of assistance, not only to themselves but to the country as a whole.

For that reason the communities in the Windsor area have formed what is known as the metropolitan committee. It is composed

of the mayor and reeves of Windsor, Riverside, Tecumseh, Lasalle, Sandwich East township, Sandwich West township, Sandwich South township, St. Clair Beach and Ojibway. Those are the municipalities comprising the Windsor area. They have formed a committee and have looked into the situation. They find there are approximately 12 per cent of the working force at present unemployed. The matter is most acute, and it is most acute to those persons who are primarily and immediately responsible to the public. These people are not in a position at the present time to pay out the large sums that are necessary for carrying these people. They are not able to set up their budgets for the coming year, and therefore find themselves in great difficulty.

Now, to that end, they are most anxious to co-operate with the government. They are most anxious to get the views of the government, so that they may, if at all possible, be of assistance. They are most anxious to do what is possible to help themselves, and to that end they addressed a letter to the Right Hon. Prime Minister (Mr. Diefenbaker) on November 22, asking that they have an opportunity of interviewing him and discussing the matter with him and with the Minister of National Health and Welfare (Mr. Monteith) and the Minister of Public Works (Mr. Green). So far there has been no answer to that letter. On November 28, I telephoned to the Prime Minister's office. I talked with his secretary and asked him to look up the letter and let me have a word as quickly as possible when we might be able to see the Prime Minister and the other ministers of the government. So far I have not had a reply by telephone from the Prime Minister's office or the other ministers' offices.

I will say that I did have a personal conversation with the Minister of National Health and Welfare, who was most courteous in trying to arrange this. I, not being satisfied, addressed a letter, because this is a matter of vital urgency to those parts of Canada which I represent, to the Prime Minister asking that he arrange an interview with the Minister of National Health and Welfare and the Minister of Public Works so that this matter could be placed before them by the elected representatives from that area. So far I have not had a reply to that letter, neither have I had a reply from the Minister of National Health and Welfare or the Minister of Public Works. I assume that in due course they will get around to it, and when they do we will be very happy to get their views. If there is anything that we can do to be of assistance we will be most happy to do it.

[Mr. Brown (Essex West).]

This matter has created a great deal of concern in the area which I represent, chiefly I think because of the most extravagant promises that were made prior to the last election and which we understand the government is now trying to fulfil.

We wish them well. We hope they can manage all these things. But in the meantime there are things to be done in our part of the country, things which were started by the previous government and which we think should be carried out.

For instance, there is the addition to the new post office which would provide employment in that area. If it had been proceeded with expeditiously, as had been planned by the previous government, all the buildings would now have been demolished and we would be on our way to construction to relieve a large amount of winter unemployment. There are at present in the Windsor area over 9,000 unemployed. It is therefore a very serious matter, one which affects the whole life of the community and the whole life of that part of the province.

I urge you, Mr. Speaker, to try to get some co-operation out of the government. If there is any possible way in which we may be able to be of assistance in helping ourselves, we should like to know about it. But in the meantime, I would appreciate some action by the Prime Minister and his other ministers with regard to seeing a delegation which has been provided by the metropolitan committee in the Windsor area.

Mr. Harold E. Winch (Vancouver East): Last March or April, Mr. Speaker, I was sitting in a seat just behind the one I now occupy and the present Minister of National Revenue (Mr. Nowlan) I think was about three seats away from me. I can recall the present minister last February, March and April sitting over here, and the way he thought and the way he spoke. I have now listened to him in the last few minutes speak on the motion that is now before you. It had not been my intention to speak but the Minister of National Revenue, under whose department it does not come, raised the question of excise tax, and was not challenged by any member in the house nor by yourself, Mr. Speaker. I therefore assume that that phase of the matter is now before the house. I raise a most interesting situation when we consider that in the last few minutes the man who raised it and who objected to the objections from this side of the house is now the present Minister of National Revenue, under whom it does not come, and who was critical in the past five years that I have known him of anything happening that could upset taxation or employment in Canada and

who rose in his righteous wrath against the Liberal government and asked about it.

Mr. Speaker, under the actual term of the motion there is a serious situation of unemployment developing because the men in General Motors, Ford and Chrysler—and I imagine they are paid a great deal of money for their brains—have decided, starting this morning, to stop all overtime and to close their plants part of the week. The Minister of National Revenue who has no responsibility in the matter whatsoever—he has only to collect the money—thinks that those who support this motion are wrong and says that they have no responsibility as a government because 16,000 men are now out of work as a result of what he maintains is a rumour in a newspaper. If my friend the Minister of National Revenue were back on this side of the house where he was five months ago he would be raising hell in the House of Commons about this present situation.

Mr. McIvor: Not around here.

Mr. Winch: But because of that strange metamorphosis which has occurred—16,000 laid off directly and how many indirectly I do not know, because of something in a newspaper—he has gone into a cocoon not only physically but mentally and has atrophied. I mean that, Mr. Speaker. I am going to suggest to you, Mr. Speaker, and to the Minister of National Revenue that he do not cause a blank in his mind since June 10. I am going to suggest that he remember the principles which I thought he had and which perhaps he thought he had prior to June 10 when he sat on this side of the house. Although he spoke as Minister of National Revenue on a subject that concerns wholly and solely directly the Minister of Finance (Mr. Fleming) but perhaps indirectly the Prime Minister (Mr. Diefenbaker)—I am going to say that—I suggest even if it were a newspaper supposition, a newspaper guess, it must have been of such importance that the biggest financial and industrial brains of Canada—the heads of General Motors, Chrysler and Ford—have closed their plants.

I am a socialist, Mr. Speaker, I am therefore practical. I admire brains. The brains of General Motors, Ford and Chrysler are not closing their plants and are not laying off 16,000 men directly and perhaps—I will make a guess and I think I cannot be proved wrong—100,000 indirectly on a newspaper rumour. They do not earn their money in that way.

And so we find ourselves in this position: there is something in the mind of this government with respect to the excise tax on cars and there has been a leak from the Department of Finance. If not, let that be stated very definitely in this House of Commons and let us find out why the heads of Ford, General Motors and Chrysler have closed their plants. If this is ever proven, then I am convinced that the Prime Minister (Mr. Diefenbaker)—because I think he loves integrity as well as I do—will demand the resignation of certain members on his cabinet benches.

If however it is not correct, we are then in the position of trying to understand why some of the greatest financial brains in Canada have taken the action they have in laying off over 16,000 men. These men must go back to work. Now it is correct, and it must be correct, that the Prime Minister and the Minister of Finance cannot now say what is going to happen if they bring in a budget so far as changes in taxes and excise duties or tax laws are concerned but surely if the Minister of National Revenue is correct in his statement made on the floor of this House of Commons just half an hour ago, that that action has been taken on irresponsible newspaper reports, then there must be some statement which the Prime Minister or the Minister of Finance can make to put those men back to work.

If they are not considering taxation changes, then one word from the Prime Minister right now and those men go back to work inside of 48 hours. One word from the Prime Minister now that no decision has been reached on the consideration of the entire taxation and excise duties structure but that there will be an announcement with respect to this matter when the budget is brought in—whenever it is brought in—will put these 16,000 men back to work tomorrow.

Surely, Mr. Speaker, through you, the Prime Minister—no I am going to change that—through you, the Minister of National Revenue who does not know a damn thing about it but through him to the Prime Minister—

Some hon. Members: Order.

Mr. Winch: No, Mr. Speaker, this is not a question of order at all because the Minister of National Revenue knows that although he is the collector of revenue, the taxation from which he collects revenue comes only through the Minister of Finance. Perhaps, therefore, some of the newcomers will consider changing that "order", keep their mouth closed and their ears open, and then they might know more.

Some hon. Members: Oh, oh.

Mr. Winch: O.K., I am sorry; if you want an apology you will get it. I say to the Minister of National Revenue who spoke and to

the Minister of Finance and to the Prime Minister, that if the Minister of National Revenue was correct—and I listened to every word he said—that these men who draw between $50,000 and $100,000 a year from General Motors, Ford and Chrysler, have laid off 16,000 men because of what the Minister of National Revenue described as wrong information given by somebody in the press, then could not the Prime Minister in the absence of the Minister of Finance authoritatively give information to the press from the floor of this house which will put those men back to work and will assure Chrysler, General Motors and Ford that they can go ahead with the production of motor cars? I say this because the Prime Minister must know and he does know—you know I like him—

Some hon. Members: Oh, oh.

An hon. Member: It sounds like it.

Mr. Winch: —except for his politics—he must know what he and his government have in mind on this matter; he must know these plants should not be closed and thousands of men put out of work on a mere newspaper rumour which, if not correct, he—with his humanitarian instincts, his love for our Canadian people, his heart bleeding for everybody —must take action as the Prime Minister to correct. I repeat he must correct the situation if the press was wrong.

I have only known the Prime Minister over the past five years, and that was behind the curtain on this side of the house, but I am certain that if he wants to—I think perhaps he does if he can find a way to get a couple of his colleagues out of trouble—he can make a statement without—and this I want to emphasize—divulging any taxation changes. Obviously that could not be done because people would make or lose millions if they knew what changes were to be before they were scheduled. However, in view of the present circumstances I am convinced, knowing the ability and knowing the agility of the Prime Minister, that he can—I am glad he is looking at me—not only can but should do what he can now to clarify the situation without disclosing taxation changes. How honest can I get, sir? Without disclosing taxation changes he can give the necessary confidence to the buyers of cars, that if there are changes going they will be made also in respect to cancelled time; you can give an assurance to those who buy cars now in these and similar circumstances that if and when changes are made it is okay for Chrysler, Ford and General Motors to open up their shops tomorrow morning and put their men back to work.

[Mr. Winch.]

You can do it, Mr. Prime Minister, if you have the will, and I am certain that if you have the will you will not have much trouble in finding a way.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I should like to say a word with regard to this question, and the reason I rise to take part in this debate is that we in western Canada are affected just as acutely by any unemployment situation anywhere in Canada as those in the central provinces.

It does seem very odd that the Minister of National Revenue (Mr. Nowlan) should have said today—at least this is my impression of what he said—that the large manufacturers of automobiles in this country should take advantage of a newspaper statement and deliberately close down their plants in order to embarrass the government.

Mr. Nowlan: I did not make that statement. It was made from the other side of the house first. I asked, when I spoke, if that was correct.

Mr. Johnston (Bow River): I would agree with the hon. minister in that case, because I just do not understand how any reliable business organization in this country would do that, and I am sure that Chrysler, Ford and General Motors would not deliberately close down their plants and cause so much undue suffering.

I believe they must have had a very good reason, and I am inclined to think this reason was well founded in that the rumours they have received through the press have some very substantial foundations. I cannot understand any business organization in this country deliberately throwing 16,000 people out of work in Windsor, besides the very many hundreds of people across the country whose affairs are connected with the car manufacturing industry. That would be to undertake a grave responsibility. Not only do I feel concerned about the loss of revenue to the car industries themselves but I am greatly concerned for those people who are now unemployed as a result of these decisions. As I say, it does seem to me that there is a basis for these so-called rumours and therefore, if I were a betting man, which of course I am not, I should think it would be a safe bet that before long the government will come out and announce an excise tax reduction.

Mr. Knowles (Winnipeg North Centre): Probably tomorrow.

Mr. Johnston (Bow River): Well, according to the press it is to be tomorrow. Now it would seem to me that because of the

serious situation which has arisen, no matter whose fault it is, the people who are unemployed are finding themselves in a bad spot and I think it would be to the credit of the government if the responsible ministers, and particularly the Prime Minister (Mr. Diefenbaker), would make it clear that there is going to be a tax reduction and that when this tax reduction is made not only would the dealers themselves not lose money but the consumers would not lose as a result of the new tax situation.

It is a well known fact that the car manufacturers are not in the habit of producing cars unless they get orders. Dealers in different parts of Canada and in our own city in our own province do not send in orders to any great extent unless they receive orders from customers. Those orders are then sent to the factory and the cars are put into production. So it can hardly be laid to the blame of the dealers or the factories that production has slowed down, or that they have not gone ahead to produce a lot of cars regardless of the demand. No business man would do this, and the government should be the last to suggest that a manufacturer or a dealer should cause a lot of cars to be produced when nobody has ordered cars. I think it reasonable, too, to suppose that no one is going to order a car in the present uncertain conditions, because a sum of $100, $200 or $300 is involved depending on the price of the car ordered. So it seems to me that from every point of view the blame for the present situation lies entirely upon the government.

How the information got out of the cabinet meeting, I cannot say. Maybe there was no leak; maybe there is going to be no reduction. Or, maybe there was a leak and the tax is going to be reduced. But the fact remains that there are thousands of people out of work because this statement has been made, and I think the government must share the responsibility because they have failed to do what they should have done, namely to bring down a budget and show what these tax proposals are. I do not understand why the government does not do this. Every other government has done it with the exception of the government which came in in 1930 when the late Mr. R. B. Bennett was prime minister. Surely the present government has learned from this lesson that it is proper to bring down a budget.

I sent out a while ago for the Ottawa *Citizen* and in it I see on the front page the words: "Auto tax decision on Tuesday." Possibly the press is wrong, and there is going to be no such decision, or no decision for some time yet. If that is true the conditions of unemployment which now face us are going to continue for some time to come; not only will the 16,000 people continue to be unemployed, together with all the other hundreds in the country who depend on the car industry, but we are going to have still more unemployment. The announcement goes on to say:

> An announcement is expected from the government this week, possibly tomorrow, on its intention in regard to the excise tax on motor cars.
>
> Finance Minister Fleming will be back from Florida tonight and in the house Tuesday.

I would suggest this would be a good place for him to be right now. Then the article goes on to say—

Mr. Knowles (Winnipeg North Centre): Florida would be a good place for him to stay.

Mr. Johnston (Bow River): A good place to stay and an enjoyable climate, certainly, although it might not be as hot as it is here. The article goes on to say:

> Lay-offs in the car industry, based on uncertainty regarding the government's intention with regard to the excise tax, are a powerful argument for an announcement of tax reductions even ahead of the presentation of the resolution to the commons authorizing it.

I think that statement is very well put. No matter who is to blame—whether the leak went out from the government intentionally or unintentionally; and I think a lot of these things leak out intentionally for political reasons, but not being a politician in the so-called sense of that term I would not know what it means, but certainly a lot of these things happen accidently on purpose with the result, in this case, that thousands of people are being made to suffer—prompt action should be taken now.

As the newspaper clipping indicates, the government has a responsibility to make that statement now. For the life of me I cannot see why it should hurt them one way or the other. In fact, I think they have everything to gain and nothing to lose and they will save a lot of suffering in this country because it is a very serious thing, particularly for those who are unemployed. As one speaker said a while ago, it may not affect the large industries so much, but it will affect most directly the local dealers in the different centres throughout Canada and it will have the most dire effect on those who are unemployed if their families have to suffer as a result of this policy of the government.

In view of all of these things and the continual rise in unemployment, I suggest to the government that something should be done. I pointed out this afternoon, Mr. Speaker, that I had a telegram from Alberta. I have the telegram with me now. It indicates that

in the last year, up to November 28, as compared with a year ago, unemployment in our province has doubled. It is probably true that the unemployment figure is not rising as fast as it did in 1954 or 1955 but I think it is true to say that there has never been such a rapid increase in unemployment as there has been in the last few months. That is the alarming thing about it. This thing has come on us so suddenly that it is going to cause terriffic hardship on those who are affected. I would suggest to the government that now is the time to remedy the situation and save those people any more distress.

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, I rise principally to comment on some of the remarks made by the Minister of National Revenue (Mr. Nowlan). I want to start by assuring him that I do not think he is "atrophied in a cocoon". I have known him as an eminent lawyer and as a very competent member of parliament. It is not his intelligence I am going to question but the use he has made of the facts he has at his disposal.

First of all, I wish to congratulate my two colleagues, the hon. members for Essex East (Mr. Martin) and Essex West (Mr. Brown) on taking this parliamentary action in drawing to the attention of parliament and of the country the very serious unemployment occurring in the great motor industry which is centred in their city. It is true that it affects more than the city of Windsor; it affects the other automobile centres of Oshawa, Oakville and Hamilton, but it affects far more than that. It affects every supplier of parts to these great industries right across the country. Every car dealer today has found that his car sales are drying up and he has found it therefore necessary to lay off car salesmen. In my own riding, 3,000 miles from Oshawa and 2,500 miles, I suppose, from Windsor, the car dealers have told me that they are laying off salesmen because nobody is going to buy a car until this situation is cleared up.

I think all of us appreciate the fact that the automobile industry in North America has this problem of recurrent unemployment because of its practice of tuning up annually for new models, and they have to lay off men during that period when new dies are being prepared. The European car manufacturers do not suffer from that problem because they do not change their models as frequently or as completely, and the European car factories have been able to offer more continuous employment than the Canadian or United States manufacturer. It is because of this condition, I think, that the automobile workers union in North America, in both the United States and Canada, have fought so hard for a guaranteed annual wage in the hope that such action would induce the employers to try to spin the employment out over the whole year instead of working overtime for part of the year and no employment at all for other parts of the year. It is precisely because this great industry has this problem of seasonal unemployment that it is so disastrous when unemployment for other causes is forced on them as well.

The present unemployment without question is due to newspaper stories which have flatly asserted during the past week that there is going to be a tax cut of five per cent in the excise tax. We find these stories across the country and without variation. As my friend, the Minister of National Revenue, pointed out, there is always speculation in this field before the government brings down a budget. The newspapers fly kites which suggest that some taxes are going to go up or come down or no change is going to take place. The members of the opposition fly kites and probe around to see whether they can get some indication from the government what changes are going to be made. The government, of course, is bound by the British tradition and British parliamentary secrecy in budget announcements. And that is why in recent years newspaper speculation has covered the field. Some papers have said that taxes are going to come down; other papers have said that taxes are going to go up, and still other papers say that taxes are going to stay as they are. That is the difference in this situation, because all the papers across the country say that this tax is going to be cut five per cent and it is going to be done in this week. I do not say that there has been a leak anywhere. I think a thing like that would be hard to prove; but certainly there has been some indication given when these reputable gentlemen of the press come to a unanimous decision.

I want to point out to the Minister of National Revenue, however, that this situation today is very different from the situation in any of the 17 years that I have been in parliament or in the 12 years that he has been in parliament. This situation has been caused by the cumulative effect of three separate actions taken by the party which is now the government in this house. And these steps in succession have rightly or wrongly created in the public mind the impression that this excise tax on cars is either going to be reduced or abolished. It is because of that feeling which the public has that car sales have dried up. Naturally, no consumer, with the present high price of cars, is going to pay an unnecessarily high price when he thinks that in a week from

now the price is going to $100 to $200 lower because of tax cuts. And that drying up of sales, of course, backs up on the dealers, which in turn backs up on the car manufacturers.

Let me trace these three steps in order. The first step was the extravagant election promises made by Conservative speakers across the country, and especially by the right honourable gentleman who is now the Prime Minister. He spoke twice on this matter. I have a very fine booklet here which contains the election promises he made to the Canadian people during the last election. He spoke on May 9 in the great automobile city of Windsor. Naturally, on that occasion, according to the press again, he spoke on the automobile taxes. In the press clippings I have of those Windsor speeches he said that this tax was to be reduced. However, he then moved along to Oshawa, another great car centre, and spoke again some three weeks later, on May 29.

Mr. Nowlan: What is the beautiful coloured volume the hon. member has in his hands?

Mr. Sinclair: It it red in colour for the Liberal party. This is only volume I entitled "Diefenbakers Election Promises". There is a smaller volume which we hope to publish some day which will contain the few of those promises which have been effectuated, to use the Prime Minister's words. We have quotations here, first of all, from the Windsor *Star*. Pardon me, the first quotation is from the Ottawa *Citizen*, May 30, which reads:

> John Diefenbaker last night promised that a Conservative government would abolish the excise tax on automobiles and eliminate "in the whole or in the main" all discriminatory excise levies.

The Toronto *Telegram*, a good Tory sheet, of May 30 had this to say:

> He told the automotive town audience his party would lift luxury taxes from cars because they are "an essential part of public and private transportation. There is no more justification for a luxury tax an automobiles than there would have been for one on the horse and buggy 50 years ago."

Then, in the Ottawa *Journal*, another good Tory sheet, we find the following:

> In Oshawa, a city of car production, Mr. Diefenbaker said that if he becomes Prime Minister—

And he is.

> —a special fall session of parliament would be called to reduce taxes,—

After seven weeks we have not seen much of that yet but we are still here in session.

> —including the 10 per cent excise tax on cars which would be removed in whole or in part.

When I reminded the right hon. gentleman of that this afternoon he said that he had been misquoted. I take his word for that.

Mr. Diefenbaker: No, I did not say "misquoted". I said there was no statement that it would be removed wholly. I have never said that.

Mr. Sinclair: I have just read these three accounts of his speeches from very reputable journals. It is from these statements that the people of Canada generally got their information about what the right hon. gentleman was promising, and if these statements in these national journals were inaccurate one would have thought that the Prime Minister or that very great press staff that accompanied him across the country during the last election would have immediately sent corrections to the editors of the Ottawa *Journal*, the Ottawa *Citizen* and the Toronto *Telegram*.

But because no such corrections were made the public, rightly or wrongly, does think that the Prime Minister promised to abolish or at least reduce these excise taxes. I am not going to go into the much larger file I have of the promises of other Conservative condidates. I got one this morning from a correspondent in Huron who pointed out that the whip of the Tory party, the hon. member for Huron (Mr. Cardiff), pledged as well in a public advertisement that the 10 per cent sales tax would be removed, but I do not think the public would place as much importance on his promises as on the statement of the right hon. gentleman. That is the first step. I say these promises have created in the public's mind the feeling today that this excise tax is going to be either abolished or reduced.

The second step which brought about the present unemployment was the budget announcement made by the Minister of Finance (Mr. Fleming) to Harold Morrison of the Canadian Press on June 25. The Canadian Press is, of course, a co-operative national news gathering service of all the newspapers in this country. The announcement was put on their wires and the next day newspapers from coast to coast carried the first public announcement of the new Minister of Finance promising a fall budget with substantial tax cuts.

The Canadian Press is not the only news gathering group in the country. There is the British United Press as well and there is keen competition between these two services. The British United Press found that it had been scooped when this Canadian Press story appeared in the newspapers of Canada. So one of the representatives of British United Press then had to track down the Minister of Finance, and finally that evening he got him at his hotel. He read the Canadian Press story to him paragraph by paragraph and

asked whether each of these statements was true and that night he was told that they were true. So the British United Press as well then sent the story across the country that there was going to be a fall budget with tax cuts. Again the Canadian people, rightly or wrongly, were led to believe that at this session of parliament there would be tax cuts in this luxury tax field which, according to the right hon. gentleman, belonged in the horse and buggy age. That is the second step.

Then there was a third step taken here in this parliament which was the final step in building up this unanimous feeling in the country and in the press that this tax cut is coming and coming this week. Since the opening of parliament members of all three opposition parties, the official opposition, the C.C.F. and the Social Credit, have repeatedly asked the Minister of Finance, when is this budget to come down? Even more so than any handouts people of Canada get through social security legislation they are interested in tax cuts because most of them feel they can spend that money better themselves than any government.

Some hon. Members: Oh, oh!

Mr. Sinclair: I am now repeating a comment which used to be made at great length by the present Minister of Finance. This again is the question usually asked at the beginning of a session of the minister of finance. I can look across the floor and see half a dozen members who in the past have asked Mr. Ilsley or Mr. Abbott or Mr. Harris, on what date are you going to bring down the budget? Well, early in the session the finance minister would have to say that he did not really know because the work was in progress but as we got along to the end of February and the early part of March he would begin to give some indication. Finally, he would stand up in the house and say, "I am going to present the budget next Thursday night."

But here again the situation is different this session. After our questioning about when the budget was going to be produced and receiving nothing but evasion in reply, evasive denials that these Canadian Press and British United Press interviews ever took place, the opposition members began to doubt if there was going to be a budget. So then we changed our question and asked, not when but is there going to be a budget at all? We got the same long-winded evasive answers, red herrings dragged across our tracks and little sermons on political ethics as well.

Then we asked the Prime Minister directly. After all, he is the head of the government. On November 15 I led off and, together with the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Acadia (Mr. Quelch), inquired from the Prime Minister whether there was going to be a budget. He referred us to the Minister of Finance. Then, of course, we raised the question of the Minister of Finance having told the nation in this press interview that there was going to be a budget, and on page 1,176 of *Hansard* of November 15 the Prime Minister answered in this way:

> As far as the alleged representation made by the Minister of Finance is concerned—

That is the statement on the budget on June 25.

> —my recollection in that regard is that the Minister of Finance has already stated in this house that the statement in question had not been made by him.
>
> Some hon. Members: Oh, oh!

You will remember that we said much more than "oh, oh". Hon. members who said "oh, oh" will remember that the Minister of Finance was sitting in the next seat to the Prime Minister and he sat there and squirmed and almost got to his feet to explain that he had not said the interview never took place, but nevertheless the matter was allowed to rest at that point.

After seven weeks of uncertainty, today at long last, when the Minister of Finance is absent on other duties, we did learn that there was not going to be a budget. The Prime Minister did tell the house that there was not going to be a budget. The right hon. gentleman and I have been friends since we came to parliament so I know he will not mind if I read back to him a little piece of poetry he read to the house in 1946 during a budget debate when he was criticizing the action or lack of action by our mutual friend, Douglas Abbott, then minister of finance. In view of these three steps, in view of the delay in bringing down a budget or telling us whether or not there was going to be a budget, I think his choice of poetry is particularly appropriate today. Let me read it.

> They promise, prepare, propose, postpone,
> And end by letting things alone.

No budget! I say, therefore, that the present unusual unemployment in the automobile industry caused by the dry-up of retail sales exists because of these three successive steps; first of all the election promises to reduce or abolish the excise tax on cars which excited public interest and was followed by the statement of the Prime Minister, when he was twitted after the election about these many, many election promises, that these promises—I think I am quoting him correctly—were solemn obligations which will be effectuated. That word "effectuated" drew

my attention so I looked it up in the dictionary and I find that it means what I thought it meant.

So the public had that first of all in their minds. Then they were further excited or further heartened, I suppose, by the further statement of the Minister of Finance to the Canadian Press and to the British United Press four days after having assumed the portfolio that there was going to be a fall budget and there were going to be substantial tax cuts. That certainly confirmed the opinion that the public had formed because of the election promises of the Conservative party.

Then the third step was the evasion in the house of the simple question, first of all, when is there going to be a budget, and then, finally, is there going to be a budget at all, which was finally answered today. It is because of these three steps that we do not have any variation in the press summation of the situation. No papers in Canada tonight are saying that the tax may remain the same or that there may be a 2 per cent, 5 per cent, 8 per cent or 10 per cent reduction. They all say, as the headlines tonight show, that it is going to be a 5 per cent reduction and it is going to come this week.

Well, here in the house today we have learned two things. We have learned from the righteous indignation of the Prime Minister this afternoon that the tax is not going to be abolished so the public can rest assured the tax is not going to be abolished. The Minister of National Revenue when he was speaking either said too little or too much because anyone in this house who listened to him will also be convinced, as the gentlemen of the press were convinced, that the cut is going to be 5 per cent. It is for that reason we find plants closed throughout the country and salesmen laid off.

My hon. friend spoke about the value of the concession made on consignment. It was, of course, not original with his government. It was made by the minister of finance of the previous government. But if he will study his files of correspondence a little more thoroughly he will find that the automotive industry did not think very much of that concession, for two reasons.

Mr. Nowlan: No, but you did.

Mr. Sinclair: If the minister could only have seen the vigour with which he commended this proposal to the house—

Mr. Nowlan: I was trying to recapture that atmosphere of yours last year.

Mr. Sinclair: Let me tell you why the automobile industry does not think very much of this proposal. First of all, the dealers in my own riding tell me that automobile manufacturers do not send them many cars on consignment. The manufacturers expect the dealers to pay for the cars. The only way the dealers can avoid receiving the cars is not to take them out of the box cars in the railway yards in Vancouver, and of course that adds to the demurrage. There are some dealers with sufficient influence, apparently, to get cars on consignment but a great many of the dealers do not get cars on consignment. The sale is completed when the car arrives at the show rooms, and they are then beyond tax recovery.

We are not worrying so much about the dealers, it is the possible customer who is thinking of buying that car, we will say in West Vancouver, in my riding. If he buys that car today and the taxes are cut tomorrow he does not get any reduction because the dealer who sold him that car has taken that car and paid the sales tax before he could sell it to the customer. It is these people about whom we are really concerned because it is the drying up of sales to these people that has caused the whole unhappy chain of circumstances leading to the closing of these plants. It is for this reason I say that action should be taken immediately. Whatever elements of secrecy there were about this proposal, they have certainly been washed out by this series of events and by the statements made by both the Prime Minister (Mr. Diefenbaker) and the Minister of National Revenue in this house today.

As the hon. member for Vancouver East (Mr. Winch) and the hon. member for Bow River (Mr. Johnston) said, this is an action which can be taken instantly by the Minister of Finance, or in his absence by the Prime Minister, by merely putting a notice of motion on the order paper of intention to amend the Excise Tax Act.

We have a little difference in procedure here as compared with the British house. In the British House of Commons when tax changes are notified to the house they have a special statute, a one-year act, which makes these things effective between the date of the announcement and the date of the passage of the necessary act by parliament. Here, by custom, the announcement of the minister in the house, or even on one occasion on the radio, has been sufficient to make these tax changes effective. Naturally, if they are tax cuts no person in the country is going to complain. If they were tax increases, I am informed that a man could hire a lawyer and resist paying these increases until the actual bills have passed in parliament.

These bills, of course, would include a retroactive clause dating back to the

announcement of the minister, and once those bills were passed the complaining citizen would be liable for the taxes and interest penalties. It is for that reason I say that all that is needed tomorrow is for the Prime Minister to give notice of his intention of these tax changes, which apparently he has decided and the situation, so far as unemployment caused by the drying up of sales is concerned, will be immediately cured.

If this action took place tomorrow I am sure the plants would start operating the day after and car sales would roll on at the normal rate from that day forward. If the Prime Minister and his government do not choose to take this action, every day of delay means that these many thousands of workers and car salesmen are going to be unemployed and their loss of income will be directly due to the procrastination, stalling and phony promises which have been made in this respect.

Mr. T. S. Barnett (Comox-Alberni): I am sure that the members of this house are probably aware of the fact we do not produce any automobiles in British Columbia. Nevertheless, I think the fact that the hon. member for Coast-Capilano (Mr. Sinclair), who has just taken his seat, and other members from that province are prepared to show some interest in the discussion we are having is an indication that the situation in the parts of Canada in which they do produce automobiles is one which we feel should be of common concern to all Canadians.

I do not profess to know very much about the intricacies of the production methods followed by automobile companies of Canada, although I do understand that the type of seasonal layoffs to which the hon. member for Coast-Capilano referred some minutes ago are characteristic of that industry and have led, as he described, to periods of seasonal unemployment. However, this particular situation is one that is of more than usual concern to the workers involved. We have heard a good deal of discussion throughout the day of the particular situation that revolves around this question of the possible reduction in excise tax on automobiles. In the lucid style for which he is generally appreciated in this house, the hon. member for Coast-Capilano has given us rather a concise summary of the situation and what has led up to it. Undoubtedly what he says is true that if the announcement which could and should be made is made that will of itself have a considerable effect in reviving production in the automobile industry.

Nevertheless, I think it perhaps is important when we are considering this situation to recognize that if it is this tax situation which has complicated the layoffs in the automobile industry, when we are thinking of unemployment in the automobile sectors of our economy we must be conscious of the fact that if production is to resume on a scale which would mean full employment there are other related problems which must be considered. As I said at the outset, we do not produce any automobiles in British Columbia. In recent years, however, we have been buying quite a lot of automobiles. I know that the workers in the Comox-Alberni district have been buying quite a few automobiles. I only have to look around me when I am at home to realize that has been the case. I think, therefore, while we are considering this situation in Windsor and the other automobile areas, and while we are discussing this particular tax situation, we should not overlook the general background situation which is closely related to the resumption of full employment in the automobile industry.

I noticed that the Vancouver press, along with the press in other parts of the country, has been carrying stories about the automobile situation, statements by management of the automobile firms that because of the decline in the demand for automobiles they were going to have to cut back their production. However, I think we realize that it is not alone in the automobile industry that such announcements have been taking place. Certainly many of the people on Vancouver island who not many months ago might have been contemplating the purchase of a new automobile this year or next year have not any such ideas in the back of their heads at the present moment and it is not all because of the fact that there is speculation or uncertainty as to the question of an excise tax reduction. A great deal of it is because of the fact that the people who have been working in the production of commodities that we produce in British Columbia are in the same boat as are the automobile workers.

I do not intend to attempt to outline in a barrage of statistics the situation in respect of some of the potential customers for automobiles in British Columbia but figures are coming out which suggest, for example, that there is something in the neighbourhood of a 40 per cent reduction in the over-all production at the present time of our great sawmill industry in British Columbia which means, one could argue, that there are 40 per cent fewer people in the province of British Columbia in that particular industry who are at present potential customers for automobiles. The same thing applies to some of the other related industries. A recent dispatch from one of the British Columbia papers carries an announcement by the management of

Crown Zellerbach Corporation which states that the company's announcement is that they now face the poorest plywood market conditions since the war, proposed to drop 110 employees from their plywood plant on the lower Fraser river; the anticipated production cut is 25 per cent for at least the remainder of the year and possibly longer. That is an announcement coming from the company's side of the picture. On the other hand, I have in my hand a little bulletin that is published by one of the locals of the international woodworkers of America which represents the employees who are engaged in this industry. This bulletin of the Vancouver local of that union has a page here of items of news around the local. Under the heading of "Canadian White Pine" they say:

> Lay-offs have caused the majority of problems at the Canadian White Pine. There has been a series of lay-offs at this operation and as a result the whole situation is in a very fluid state.
>
> Dozens of grievances have been filed with the plant committee but most of the grievances have to be changed as a result of further lay-offs.

I imagine that situation is similar to some of the situations about grievances that may have been in process in some of the automobile plants in recent weeks. Then another plant within the jurisdiction of that local, namely Vancouver Plywoods, has this to say:

> Main topics of conversation these days has been: 1. The shut-down and general unemployment situation in this industry and others.

Then they go on and describe grievances that arise out of cutbacks which are creating seniority problems in the maintenance and construction sections of the plant. All of these things are, I feel, perhaps closely related to the situation in Windsor and things which should be considered along with the particular matter that sparked this debate when we think of the plight faced by the workers in the automobile industry of Canada at this present time.

The situation in Windsor, I suggest, is very much akin to the situation which has arisen in places like Port Alberni, Courtenay and other centres in my constituency. While we may not have any particular problem in respect of the removal of the excise tax at this time, nevertheless the indications are that as to a fall-off in the demand for some of the products which are produced in British Columbia we have a situation which is similar and one which must be taken into account by the government when it is considering what should be done with regard to creating full employment once again in the automobile industry in the province of Ontario.

I wonder if perhaps this story which is carried on the front page of the last issue of the Vancouver *Sun*—that is Saturday, November 30—which has reached us here is not indicative of the situation and of the attitude of mind which is developing in some of the areas where these problems of unemployment are arising. Apparently one of the new members of the Conservative party in the House of Commons has been having a little baptism of fire in dealing with this question of unemployment in the city of Vancouver.

Mr. Speaker: Order. I must remind the hon. member that we are not dealing with unemployment in general but with unemployment in the automobile industry in particular. He has been roaming a bit over the whole field. If he could come back to the subject under discussion, I would greatly appreciate it.

Mr. Barnett: I thought I was attempting to indicate that the potential purchasing power of the people of British Columbia was an important factor in the maintenance of employment in the automobile industry in Ontario. While I may have perhaps been giving too much of the background of the situation that is causing a decrease in the potential market for automobiles in British Columbia, nevertheless I felt that it might perhaps be important for me to do it on this occasion. I think it is important that the government of Canada should recognize that these problems which arise in one particular area of the country are, in large part, the result of situations that may be in existence 2,000 or 3,000 miles away and that if they are going to take effective action beyond whatever they may be contemplating doing about this excise tax, certainly it is important that the necessary steps be taken to revive full production in our great forest products industry of British Columbia if the full potential market for cars in Canada is going to be restored to the level which it has reached at previous periods in our economic life.

I was going to suggest that the reaction of unemployed people in Windsor and in Vancouver is inclined to be rather similar. I do not know what the unemployed people down in Windsor are thinking and feeling but apparently the unemployed people of Vancouver expressed themselves rather vigorously when one of the members of parliament from that city apparently showed more interest in the Grey Cup when he raised the subject than he did in the situation which they were up against as unemployed citizens of this country. I certainly agree that the arguments which have been advanced by spokesmen in this group and by spokesmen from the official opposition, and in particular, as I mentioned a few minutes ago, the lucid argument which

was presented by the hon. member for Coast-Capilano, are matters which require immediate action and some immediate statement from the government.

I did feel I wanted to spend a little time in bringing to the attention of this house the broad background of this problem and what to me should be even more basic considerations in the minds of the government in approaching the problem raised today by the hon. member for Essex East (Mr. Martin) than the consideration of an amendment to a particular tax.

Mr. John B. Hamilton (York West): Mr. Speaker, this is an opportunity which I certainly did not expect when I came to the house this afternoon. Nevertheless it has been an interesting day and I am sure the hon. member for Essex East (Mr. Martin) can feel very satisfied before taking off on his campaign to feel that he has today removed from the headlines the member for Algoma East (Mr. Pearson).

Mr. Pickersgill: Also the Prime Minister (Mr. Diefenbaker).

Mr. Hamilton (York West): I am inclined to feel that perhaps my hon. friend is more concerned about just what he may be able to say to his constituents than he is about the actual situation in dealing with unemployment in the automobile industry. As a matter of fact I can only think that what is wanted here is some proof that the member for Algoma East can come before this House of Commons and prove that he, in fact, runs the government and not the party to your right.

Mr. McIlraith: Why Algoma East?

Mr. Hamilton (York West): Well, the correction has been made—it should be Essex East.

An hon. Member: Not York West anyhow.

Mr. Pickersgill: Like your whole party, you are just confused.

Mr. Hamilton (York West): Well I see they have awakened once more to your left, sir; they usually do. No one wants to take the unemployment situation in this industry lightly, least of all those of us who sit to your right because, of course, I think as we go along it is incumbent upon us to devise ways and means to ensure that the economy at all times works with full vigour. On the other hand I am greatly concerned that the attitude being displayed is one of despair and of fear. This was particularly brought to my attention by an editorial in a little local newspaper in my own constituency—

Mr. McIlraith: Did you write the editorial?

Mr. Hamilton (York West): No I did not write it but, believe me, my hon. friends opposite should have no complaint because they had the best propaganda machine outside the totalitarian countries.

Mr. Pearson: You flatter us.

Mr. Martin (Essex East): The Tely?

Mr. Hamilton (York West): But we are doing a little better now although we still have a long way to go to catch up with the performance of those people to your left over the last 22 years.

Mr. McIlraith: You have a long way to go, all right.

Mr. Hamilton (York West): This editorial is called "Funk Won't Get Us Anywhere!" I was intrigued with the title so I looked up the word "funk" in the dictionary and I found it meant fear or panic. Now the editorial in the *Etobicoke Press* of Thursday, November 28 among other things says this—and if you feel sir that I should not read this particular article perhaps I can follow the system used in our courts of justice and simply say I would like to adopt these words as my own.

> We are not a confirmed optimist—not by any means. But we are seriously concerned about this vicious circle of fear that is prevalent in the thinking of a lot of people today, is reflected in some sections of the dailies, and is having a deleterious effect on the nation as a whole, it seems to us.
>
> Facts are facts and must be faced.

And again:

> Over the weekend the fact that Ford lays off 2,400 workers gets the headlines, not the fact that most of them will benefit under the guaranteed annual wage plan (to the tune of half their salary—and that isn't peanuts).

An hon. Member: Well that is not as much.

Mr. Hamilton (York West): It continues:

> You'd think we were in the midst of a depression. We aren't! No one stresses that the government has released $180 million to boost building and has recently stated that it will order the release of further funds for the same purpose if necessary.
>
> No one stresses that Scarborough in September issued $11 million worth of building permits compared with $5,500,000 worth a year ago. No one stresses that in a small municipality like Trafalgar township recently permits were issued for building 77 houses.
>
> No one talks about the new industrial plants that continue to come into Etobicoke and these are only isolated cases!
>
> But the effect of this continued stressing of the bad and no underlining of the good news is this—that the dress manufacturer reads that story in the dailies about middle-class families going without so he immediately plans a smaller output and lays off half his workers. The workers, living close to the collar, can't make their payments on the frig and the car and the washer. These articles are reclaimed by the hundreds and thrown on the

market at half price and the manufacturers of those articles immediately cut down their output staffs and more cars, frigs, washers go for next to nothing.

And all this because of fear—the stressing of the bad only, as we have said.

Give the national economy time—for heaven's sake, for your own sake!

The effect of the $180 million is being felt.

Subdividers are dividing, builders are building houses and factories. And those factories and houses need furniture and hardware and will be occupied by people who will go to the furniture stores and the drug stores and the gas and oil and electric companies for heat and light, and the employees of those companies will in turn be able to keep up their payments on their furniture and cars and whatnot, and people will remain employed and other people will be taken off unemployment and will be able to resume their payments on their articles purchased on time, thus keeping other people in work.

We may be accused of talking without our book, but we think there is a fair modicum of reasoning in what we have pointed out.

Fear creates fear and—well, nothing was ever righted or accomplished through funk!

It seems to me tonight that the chief problem we have to recognize here is that this particular problem in the automobile industry did not arise from a particular question with respect to tax. It arose over a period of time; it arose because, very simply, the opposition to your left while in office did not provide the drive or the dynamic policies required to keep the whole economy on the move. As a matter of fact, if there has been any problem over the last few years, it has been a problem of laissez faire as far as the opposition to your left is concerned. This country now requires government—

An hon. Member: It sure does.

Mr. Hamilton (York West): Just a minute —and industry to go hand in hand whereas over 22 years the party to your left was prepared to stand aside and applaud while industry did the work. We have, I think, tonight reached the stage where we must determine who is going to run this country. Is is to be parliament; is it to be the newspapers or is it to be the large corporations?

Mr. Ellis: You are getting close to the truth now.

Mr. Hamilton (York West): I did not catch that.

Mr. Ellis: You are getting close to the truth now.

Mr. Hamilton (York West): I can only say, if I can come back to what I said earlier today, that if we are going to have a situation arise where, because of reports in the newspaper, it is necessary for the government to disclose immediately all or any of its plans in connection with its fiscal policy, then of course we have abdicated our position of government. If at the same time, because of such reports, corporations are going to be placed in a position where they can say that production shall cease until such time as a definite answer is obtained, then of course we have abdicated in the same way to them.

It seems to me that more than ever it is required that we obey the ordinary rules dealing with disclosure of information of this kind. I cannot help but recall the many times when this arose in the past and we were told very clearly that no information of this type would be given until such time as the government brought down its budget or brought in its budgetary resolutions. I do not think at this time it is a question as to what promises will be kept or not kept. The hon. member for Coast-Capilano (Mr. Sinclair) places a great deal of importance on that beautiful red volume which undoubtedly will get a lot of reading, but I should like to say to him tonight that I feel confident that if he is going to prepare another volume in which to include the promises which have been kept then he will, I am sure, have just as large a volume or maybe a larger one.

As I said, this is not a question of keeping promises. The promises which this party gave in its campaign are being kept to a larger extent than ever before, and I am sure that this will continue down to any promises made to people in this or any other industry, but the issue at stake tonight is whether we should abdicate our powers either to the press or to the industry concerned, neither of which I am prepared to do. And I think we can go one step further and say that we have no intention of abdicating our power to the party on your left, Mr. Speaker.

(*Translation*):

Mr. Alexis Caron (Hull): Mr. Speaker, may I be allowed to say a few words on this matter. It is a very important one since it affects not only the automobile industry but various other related industries. I believe that the hon. member for Essex East (Mr. Martin) was well advised to raise this question so that the people of this country may be made aware of what course the government should be taking after the promises it made in this regard.

A moment ago I was listening to the hon. member for York West (Mr. Hamilton). He reminded me of a familiar French song which says: "Everything has burned down, the stable and the horses too, but everything is just fine, Madame la marquise!" Frankly, the situation being what it is, we wonder what the government can be thinking about at this time.

It has just been said that this situation has nothing to do with the promises made by the Conservatives. But had the member for York West taken the trouble to analyse the speech made by the hon. member for Coast-Capilano (Mr. Sinclair) he would have understood without any difficulty that this situation has not been brought about, essentially, by the fact that the press has reported statements made by the Right Hon. Prime Minister (Mr. Diefenbaker) during the elections, nor those of the Minister of Finance (Mr. Fleming) who, during the Prime Minister's stay in England, has continued, day after day, to make repeated statements calculated to convince those who heard them that Canada was to become prosperous overnight because the Conservative party was again in power. What is happening now is the outcome of the unrest caused in this country by the Conservative party in making promises it is in no position to implement, and which it has no intention of carrying out. And yet, today, we are told that is the fault of the Liberal party which has just been turned out of office.

Well, Mr. Speaker, in 1930 we realized that the promises of the Conservative party and of the then prime minister had caused the depression we underwent at that time.

Besides what the hon. member for Coast-Capilano said, the Prime Minister's statements about diverting to the United Kingdom 15 per cent of Canada's trade with the United States have caused uneasiness in the area of Windsor and surrounding cities where the automobile industry is the main employer of the people.

Well, Mr. Speaker, time has come for the Conservative party to remember its promises and to put an end to all those rumours which are left circulating without ever being confirmed. As already said by some members, if the Conservative party really intends to put an end to the present situation in the automobile industry, all it would have to do would be to say whether or not it proposes to change the situation existing at this time as regard taxes. The automobile industry, and the related industries, would then resume their activities and the workers would go back to their jobs.

We should not forget that, when there is unrest in one part of the country, it is felt in the rest of the country. It is like the human body; if one arm is aching, the rest of the body feels it. Since we are at the stage where we are suffering from extraordinary uneasiness and unrest, the Conservative party now directing the destinies of this country should pull itself together and take steps to remedy the situation. That is what we have been requesting all day and that is also what we intend to continue urging upon the government. Let the Conservative party keep the promises it has made to the Canadian people.

(*Text*):

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the leader of the house what is the order of business for tomorrow?

Mr. Green: Mr. Speaker, the business for tomorrow, will be, as I announced on Friday, first, item No. 118 on today's order paper, which is a resolution preceding a bill to provide for a branch line of the Canadian National Railway Company. I understand that copies of the bill have been handed to the leaders of the three other parties, and if the house is agreeable we would ask for second reading and then refer the bill to the standing committee on railways, canals and telegraph lines.

The second order will be No. 121 on today's order paper, which is a resolution preceding a bill to provide for a loan to the Hamilton harbour commissioners. This bill, also, has been distributed to the leaders of the other parties, and we are hoping it will be given second reading tomorrow and be referred to the same committee.

Next we will take order No. 111, which is second reading of a bill to amend the Canadian Vessel Construction Assistance Act. The intention is to refer that bill, too, to the same standing committee.

Mr. Chevrier: Very complicated.

Mr. Green: I hope the hon. member for Laurier will be able to understand it better than I have been able to do.

The next item will be No. 112 on today's order paper, second reading of an act to amend the Canadian and British Insurance Companies Act. It is proposed to refer this bill to the standing committee on banking and commerce. Then, item 119, which is the resolution preceding a bill to amend the Export Credits Insurance Act; item No. 122, a resolution preceding a bill to amend the National Housing Act; item 116, a resolution preceding a bill to provide guaranteed prices for agricultural commodities, and finally a resolution which appears today on the day's order paper under government notices of motions, preceding a bill to authorize a loan to the government of New Brunswick.

Mr. Chevrier: The leader of the house is very optimistic. I had been going to ask him what he intends to do on Friday, but I presume the list he has given us will keep us going until Friday. I noticed on Friday

evening that the hon. gentleman gave the whole of the business for every day except Friday and Saturday. Could he give us any indication of what the business will be on those two days?

Mr. Green: I cannot say definitely, Mr. Speaker, but probably estimates.

Mr. Sinclair: In that case there will be no tax proposals this week?

Mr. Green: Could be.

Mr. Sinclair: You have not listed them.

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:

AGRICULTURAL PRICES SUPPORT ACT PAYMENTS

Question No. 209—**Mr. Smith (Battle River-Camrose):**

1. How much was paid out of the Agricultural Prices Support Act revolving fund for each of the years from 1946 to 1956 inclusive?
2. How much was paid out of the Agricultural Prices Support Act revolving fund from January 1, 1957 to October 31, 1957?
3. What products were supported in each of the years mentioned in 1 and 2, and what was the loss incurred for each of these products for each of these years?

Answer by: **Hon. D. S. Harkness (Minister of Agriculture):**

1 and 2. On the basis of fiscal year as shown by the public accounts, the amount of the revolving fund used under the Agricultural Prices Support Act was to the nearest dollar as follows:

for year ending	
March 31, 1947	$ 109,395
March 31, 1948	1,061,353
March 31, 1949	3,473,295
March 31, 1950	39,515,860
March 31, 1951	36,902,816
March 31, 1952	8,356,718
for year ending	
March 31, 1953	164,419,331
March 31, 1954	93,849,104
March 31, 1955	66,223,281
March 31, 1956	70,869,635
March 31, 1957	74,685,883
Preliminary for April 1 to October 31, 1957	39,422,569

The following net amounts in dollars were outstanding as a balance at March 31 in the following years before deducting losses provided by recoup through estimates in parliament:

1947	$ 109,395
1948	1,061,353
1949	3,473,295
1950	21,113,781
1951	1,743,515
1952	6,589,661
1953	101,601,886
1954	60,086,085
1955	34,725,232
1956	38,792,629
1957	25,733,743
As at October 31, 1957	31,876,627

3. No accurate accrued account of losses to October 31, 1957, is available since programs are still in operation, but as at March 31, 1957, the annual report of the board indicates the following net cost with respect to products supported according to production year:

Product	Year		
1. Potatoes	1946	$ 170,748.48	
	1948	1,646,739.34	
	1950	215,687.79	
	1955	4,830.77	
			$ 2,041,006.38
2. Apples	1947	3,119,274.22	
	1948	1,487,882.32	
	1949	1,499,569.40	
	1954	601,436.30	
	1955	181,738.21	
			6,889,902.45
3. Dried white beans	1948	.....	194,419.88
4. Extracted honey	1948	.....	177,066.42
5. Dry skimmed milk	1949	10,820.35	
	1953	666,583.67	
			677,404.42
6. Cheddar cheese	1949	157,693.98	
	1951	nil	
	1952	−2,345.16	
	1953	nil	
			155,348.82

PRODUCT	YEAR		
7. Creamery Butter	1949	1,868,150.72	
	1950	−456,115.03	
	1951	149,098.86	
	1952	52,149.91	
	1953	1,506,940.63	
	1954	5,474,815.68	
	1955	4,158,547.46	
	1956	435,947.79	
			13,189,536.02
8. Shell eggs	1950	nil	
	1951	1,866.24	
	1952	63,542.45	
	1953	nil	
	1954	601,197.47	
	1955	61,516.83	
			728,122.99
9. Hogs	1951	nil	
	1952	36,673,894.07	
	1953	nil	
			36,673,894.07
10. Cattle	1952-53	.....	33,358,015.86
		TOTAL.....	$ 94,084,716.91

TELEPHONE SYSTEMS, BEAUCE COUNTY—FEDERAL GRANTS

Question No. 211—**Mr. Poulin:**

1. Have any grants been made by the federal government for the construction or improvement of local telephone systems in the county of Beauce since 1945?

2. If so, for each of the years 1945 to 1957 what was (a) the amount of such grant; (b) the name of the system?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

1. Yes.

2. (a) and (b)—1950, $3,000 to St. Come de Beauce rural telephone; 1951, $5,000 to Beauceville rural telephone company; 1953, $1,200 to St. Come de Beauce rural telephone; 1954, $3,000 to St. Come de Beauce rural telephone, and $1,500 to St. Philibert rural telephone company; 1956, $5,000 to Ste. Clothilde de Beauce telephone company.

T. V. BROADCAST LICENCES

Question No. 215—**Mr. Hansell:**

1. How many T.V. broadcast licences have been applied for during the last two years?

2. How many have been: (a) granted; (b) refused; (c) pending?

3. How many T.V. broadcasting licences are now in operation and how many of these are operated by the Canadian Broadcasting Corporation, and how many by independent stations?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

1. 30.

2. (a) 18; (b) 6; (c) 6.

3. 46; 10 operated by the Canadian Broadcasting Corporation and 36 by privately operated stations.

WINDSOR—ESTABLISHMENT OF HARBOUR COMMISSION

Question No. 220—**Mr. Martin (Essex East):**

1. Has the government received representations from any body to establish a harbour commission within the city of Windsor, Ontario?

2. If so, has any action been taken towards the establishment of such a harbour commission?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

1 and 2. Yes, and the appointment of the two members named by the governor in council was recently announced.

THREE RIVERS HARBOUR

Question No. 222—**Mr. Rochefort:**

1. Is the shoreline of the St. Lawrence and St. Maurice rivers at the city of Cap-de-la-Madeleine part of the territory of the harbour of Trois-Rivieres?

2. Whenever projects for improving and extending the wharfage facilities at Cap-de-la-Madeleine are to be discussed will the city council and other public bodies be officially represented?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

1. Yes, as defined in the schedule to the National Harbours Board Act.

2. On periodic visits, national harbours board is available to receive representations from shipping interests and public bodies on harbour matters.

TRADE MISSION TO U.K.

Question No. 238—**Mr. McWilliam:**

What are the names, business addresses and classifications of representatives chosen to form the Canadian trade delegation now in Great Britain?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

Name	Business Address	Buying Classification
(a) Leader of the Mission—		
CHURCHILL, The Honourable Gordon,	Minister of Trade and Commerce.	
(b) Deputy Leader of the Mission		
DUNCAN, James Stuart,	Chairman of the Hydro-Electric Power Commission of Ontario; Chairman of the Dollar-Sterling Trade Advisory Council.	Unclassified
(c) Members		
ASKIN, Robert James.....	Vice president, Development and Engineering, Abitibi Power and Paper Company Ltd., Toronto, Ont.	Heavy machinery, including electrical and machine tools.
BAILEY, Alexander Graham..	Vice pres. and general manager, Bailey Selburn Oil and Gas Ltd., Calgary, Alta.	Petroleum, gas and chemicals.
BARIBEAU, Lt. Col. Herve...	President, Baribeau & Son, Levis, P.Q.	Engineering, including lumbering, fishing, textile manufacture, flour milling and consulting.
BONUS, John J.....	General manager, Canadian Assn. of British Manufacturers and Agencies, Toronto, Ont.	Unclassified.
BONNYCASTLE, Lawrence Christopher.	Vice pres. and managing director, Canadian Corporate Management Co. Ltd., Toronto, Ont.	Engineering including lumbering, fishing, textile manufacture, flour milling and consulting.
BROCKINGTON, Leonard Walter.	President, Odeon Theatres (Canada) Limited.	Unclassified.
BROMLEY, Edwin Armstrong.	Vice president, purchasing and stores dept., Canadian National Railways, Montreal, P.Q.	Transportation equipment including ships, railways, aircraft.
CLARK, J. Arthur.....	President and general manager, Maritime Asphalt Products Ltd., Summerside, P.E.I.	Construction equipment including road building, metal mining and coal mining.
CRESSWELL, Herbert Arthur	Vice president and assistant general manager, Canada Steamship Lines Limited, Toronto, Ont.	Transportation equipment including ships, railways, aircraft.
CROMBIE, Hugh Arthur.....	Vice president and treasurer, Dominion Engineering Works Ltd., Montreal, P.Q.	Heavy machinery including electrical and machine tools.
DRUMMOND, Robert.....	Executive vice president, Angus Robertson Limited, Montreal and Toronto.	Construction equipment including road building, metal mining and coal mining.
EAST, Melville A.....	President and general manager, John East Iron Works Limited, Saskatoon, Sask.	Engineering including lumbering, fishing, textile manufacture, flour milling and consulting.
FOULIS, Allan D.....	President, Foulis Engineering Sales Ltd., and Foulis and Bennett Electric Limited, Halifax, N.S.	Heavy machinery including electrical and machine tools.
FRASER, Kenneth Francis...	Vice president, production, British Columbia Packers Limited, Vancouver, B.C.	Engineering including lumbering, fishing, textile manufacture, flour milling and consulting.
GAHERTY, Geoffrey Abbott.	President, Montreal Engineering Company Ltd., president, Calgary Power Limited, president, Ottawa Valley Power Company.	Engineering including lumbering, fishing, textile manufacture, flour milling and consulting.
GANONG, R. Whidden.....	President and general manager, Ganong Bros., St. Stephen, N.B.	Consumer goods.

(c) Members—*Continued*

Name	Business Address	Buying Classification
GATTIE, Brian Berkeley.....	General manager, Western Forest Industries Limited, Vancouver, B.C.	Engineering including lumbering, fishing, textile manufacture, flour milling and consulting.
GIBBINGS, C. W.....	Vice president, Saskatchewan Wheat Pool, Regina.	Unclassified.
HEARTZ, Richard E.....	President, The Shawinigan Engineering Company Ltd., Montreal, P.Q.	Engineering including lumbering, fishing, textile manufacture, flour milling and consulting.
HILL, Clarence Bruce.....	President, E.T.F. Tools Limited, St. Catharines, and Canadian Warren Pink Ltd., St. Catharines.	Heavy machinery including electrical and machine tools.
HUNTER, G. W.....	Assistant deputy minister, Dept. of Defence Production, Ottawa.	Engineering including lumbering, fishing, textile manufacture, flour milling and consulting.
HUTCHISON, W. L.....	Vice president, Moffats Limited, Weston, Ontario.	Heavy machinery including electrical and machine tools.
JASPER, Lloyd.....	Immediate past president, Ontario Federation of Agriculture, Toronto, executive member, Canadian Federation of Agriculture.	Engineering including lumbering, fishing, textile manufacture, flour milling and consulting.
JENKINS, James Ross.....	Vice president, The T. Eaton Co. Ltd., Toronto, Ont.	Consumer goods.
JOHNSTON, John George.....	President, Johnston, Everson and Charlesworth, Toronto, Ont.	Unclassified.
LEITCH, John D.....	President, Toronto Elevators Ltd.	Engineering including lumbering, fishing, textile manufacture, flour milling and consulting.
LUSH, Harold V.....	President, Canadian Manufacturers' Assn., president and general manager, Supreme Aluminum Industries Limited, Toronto, Ont.	Engineering including lumbering, fishing, textile manufacture, flour milling and consulting.
MANNIX, Frederick Charles...	President and general manager, Mannix Limited, Calgary, Alta.	Construction equipment including road building, metal mining and coal mining.
MARSLAND, Stanley.....	President, Marsland Engineering Co. Ltd., Kitchener, and Marsland Precision Equipment Ltd., Kitchener.	Engineering including lumbering, fishing, textile manufacture, flour milling and consulting.
MCLACHLAN, Walter R.....	President, Orenda Engines Ltd., Malton, Ontario.	Heavy machinery including electrical and machine tools.
MCRAE, Ian F.....	Vice president and general manager, civilian atomic power department, Canadian General Electric Co. Ltd., Toronto, Ontario.	Heavy machinery including electrical and machine tools.
MILLAR, Hugh P.....	Manager, purchases and stores, Canadian Pacific Railway Co., Montreal, P.Q.	Transportation equipment including ships, railways, aircraft.
MOORE, Trevor Frank.....	Vice president, Imperial Oil Limited, Toronto, Ont.	Petroleum, gas and chemicals.
NOBLET, Felix.....	Treasurer, the International Nickel Company of Canada Ltd., Toronto.	Construction equipment including road building, metal mining and coal mining.
OUIMET, J. Rene.....	President and general manager, J. Rene Ouimet Limited and Cordon Bleu Limited, Montreal.	Consumer goods.
PATTERSON, James.....	Chairman, Interprovincial Farm Union Council; president, Manitoba Farmers' Union, Winnipeg, Man.	Engineering including lumbering, fishing, textile manufacture, flour milling and consulting.

(*c*) Members—*Concluded*

Name	Business Address	Buying Classification
PERLIN, William.....	Managing director, I. F. Perlin & Company, St. John's, Nfld.	Consumer goods.
PICHE, Andre.....	Vice president and general manager, Reynolds Aluminum Co. of Canada, Cap-de-la-Madeleine, P.Q.	Engineering including lumbering, fishing, textile manufacture, flour milling and consulting.
RUTLEY, Frederick George..	President, The Foundation Company of Canada Ltd., Montreal, P.Q.	Construction equipment including road building, metal mining and coal mining.
SCHOLLIE, George P.....	Vice president, Canadian Labour Congress, Montreal, P.Q.	Unclassified.
SISSONS, Henry Jonathan....	Assistant general manager, Hydro-Electric Power Commission of Ontario.	Heavy machinery, including electrical and machine tools.
SMITH, Wallace Wyniard....	Vice president, National Sea Products Limited, Lunenburg, N.S.	Engineering, including lumbering, fishing, textile manufacture, flour milling and consulting.
STEPHENS, Donald M.	Chairman and general manager, the Manitoba Hydro-Electric Board; president and general manager, Winnipeg Electric Co., Winnipeg.	Heavy machinery including electrical and machine tools.
STOCKER, Erik B.	Executive vice president, R. & H. Products Limited, vice president, H. Perkins & Sons (Canada) Limited, vice president, Civic Company (Canada) Ltd., vice president, A. Oppenheimer & Company (Canada) Ltd., Montreal.	Consumer goods.
STYLE, Humphrey, B.	President, John Inglis Co. Ltd., and English Electric Co. of Canada Ltd., Toronto, Ont.	Heavy machinery including electrical and machine tools.
TURNER, John Harold Francis.	Assistant general manager, Bank of Montreal, Montreal, Que.	Unclassified.
URWIN, George.....	President, Interprovincial Co-operative Ltd., Saskatoon.	Consumer goods.
WAIN, Eric J.	General purchasing agent, Canadian Industries Ltd., Montreal, P.Q.	Petroleum, gas and chemicals.
WANSBROUGH, Victor Counsel	Vice president and managing diretor, Canadian Metal Mining Association, Toronto, Ont.	Construction equipment including road building, metal mining and coal mining.
WHITE, J. B.....	Vice president and general manager, Aluminum Company of Canada Ltd., Montreal, P.Q.	Heavy machinery including electrical and machine tools.
WOODS, David M.....	President, Gordon Mackay and Company Ltd., Toronto, Ont.	Consumer goods.

Name	Business Address
(d) Civil Servants	
BROWN, H.L.	Commercial counsellor, office of the high commissioner for Canada, Canada House, Trafalgar Square, London, S.W.1, England.
MARSHALL, D.A.B.	Commercial counsellor (agricultural) office of the high commissioner for Canada, Canada House, Trafalgar Square, London S.W.1, England.
PARLOUR, Roger Robbins	Secretary, Canadian trade mission to the United Kingdom, and Canadian Government trade commissioner, Dept. of Trade and Commerce, Ottawa.
ANDERSON, Raymond Cecil	Assistant secretary, Canadian trade mission to the United Kingdom, and assistant trade commissioner, Dept. of Trade and Commerce, Ottawa.
STURSBERG, Peter	Press officer.
(e) Press representatives	With the mission, but not officially members of it.
MORRISON, Harold	Canadian Press, Ottawa.
MACLEOD, Norman	British United Press.
(f) Other	
MCCARTER, Charles	Private secretary to Mr. J. S. Duncan.

PITWOOD EXPORTERS, ATLANTIC PROVINCES

Question No. 239—**Mr. McWilliam:**

1. Did any officials of the federal government contact exporters of the Atlantic provinces in connection with 1958 shipments of pitwood?
2. If so, what are the names and addresses of the pitwood exporters who were contacted?
3. What was the nature of these contacts and the subsequent results?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. Yes.

2. It is not the general practice of the Department of Trade and Commerce to make public the names and addresses of firms known to be negotiating for business.

3. The purpose of these contacts was to exchange information on current conditions affecting the business in prospect. Some contracts have already been placed with certain producers by the national coal board of the U. K. In addition a small contract has been obtained from Turkey. These contracts were negotiated privately and details are not known to the department.

LIVESTOCK—COMPENSATION PAYMENTS FOR T.B.

Question No. 242—**Mr. Hansell:**

1. Does the government pay compensation for cattle discovered to have t.b.? If so, what amount is paid per head?
2. How does the government determine what cattle have t.b.?
3. Are any veterinarians employed by the dominion government for the purpose of inspecting cattle to determine whether or not cattle have t.b.? If so, how many are thus employed and where?

Answer by: **Hon. D. S. Harkness (Minister of Agriculture):**

1. Yes, when such cattle react to a tuberculin test under the terms of the restricted area and accredited herd plans. The Animal Contagious Diseases Act provides that compensation shall not exceed $100 each for pure-bred animals and $40 each for grade animals. In addition the owner receives the commercial market value for his animals at the time of slaughter in an inspected abattoir.

2. By the application of the intradermal tuberculin test.

3. Two hundred and fourteen full time salaried veterinary officers are engaged by this department in field disease control and part of their duties is the tuberculin testing of cattle. In addition to the full time salaried officers, there are 170 practising veterinarians employed on a part time basis.

The distribution of staff by provinces is as follows:

	Part-time	Full-time
Newfoundland		1
Prince Edward Island	2	1
Nova Scotia	1	8
New Brunswick	1	4
Quebec	25	41
Ontario	56	83
Manitoba	16	16
Saskatchewan	27	20
Alberta	41	28
British Columbia	1	12

HOUSE OF COMMONS

Tuesday, December 3, 1957

The house met at 2.30 p.m.

RAILWAYS, CANALS AND TELEGRAPH LINES

FOURTH AND FIFTH REPORTS OF STANDING COMMITTEE—CONCURRENCE IN FIFTH REPORT

Mr. G. K. Fraser (Peterborough) presented the fourth and fifth reports of the standing committee on railways, canals and telegraph lines, and moved that the fifth report be concurred in.

Motion agreed to.

TRADE

REPORT ON CANADIAN MISSION TO UNITED KINGDOM

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I thought I might take a few minutes to give a brief, interim report on the Canadian trade mission which is now in the city of Glasgow. I returned this morning from Glasgow, and I thought perhaps the house would like to know how the mission is getting on. Hon. members will recall that it left Canada on November 21 with the approval of all parties in the house; that it consisted of over 50 people representing all provinces and about 20 of the major industries in this country, and representatives from the fishing industry, agriculture and labour.

The mission arrived safely by T.C.A. on November 22 and was received in the customary friendly way by the people of the United Kingdom. We were met at the airport by the secretary of state for commonwealth affairs, the president of the board of trade, our own high commissioner, Hon. George Drew, and Sir William Rootes, who is chairman of the dollar exports council. Mr. Drew and I, along with Sir David Eccles and Lord Home, then paid a visit to Prime Minister Harold Macmillan, who spent half an hour with us discussing the purpose of the mission and wishing us well on our tour of the United Kingdom.

The reception by the people of the British isles, according to members of the British press, has surpassed anything within recent years except perhaps a visit from a member of some royal family. There has been an intense interest in the mission throughout the United Kingdom.

The press conference on the day we arrived had representatives from almost every newspaper in the United Kingdom. I counted more members of the press at the conference than there were members of the Canadian trade mission, and some of our reporters estimated there were 100 members of the press present on that occasion. This gives you an idea of the interest which was created in the mission before it set foot in England. The response since has been tremendous. Every day, on TV or radio or in the press, word has been carried throughout the British isles concerning the trade mission. The London newspapers, cramped though they are for space, have given some attention to the mission, and the newspapers in the provinces have in their turn given very good attention to the trade mission.

When we arrived in Glasgow just two days ago we were of course met at the station by a pipe band and 500 people who arrived to bid the Canadians welcome. They were not invited particularly, but they knew about the mission through the publicity the British press had given to it. The preparations made in the United Kingdom for the mission were elaborate and very well done indeed. The board of trade, under Sir David Eccles and his officials, operated closely with Sir William Rootes of the dollar exports council and with our own high commissioner and his officials at Canada House in the preparation of every detail for this mission, the largest and most representative to reach the shores of England.

The interest of the British businessmen in the mission has surpassed all expectations, either on our part or the part of the people in the United Kingdom. The mission is visiting quite a number of industrial plants in England, Wales, Scotland and Northern Ireland to see for themselves the progress of British industry. So much interest has been created in this visit that 700 British firms, in addition to the ones we are visiting, have written to the board of trade, the dollar exports council or Canada House asking for an opportunity to meet the members of the mission. This was totally unexpected, but we have made provision for that because within ten days' time the members of the mission will be in London for a three-day stay and offices have been provided for the purpose of seeing that the British businessmen who are

interested may meet face to face with our Canadian representatives. This will give you some idea of the interest that has been aroused in the United Kingdom as a result of this visit.

Before I left we had seen a number of industrial plants, and all of us were impressed by the progress that has been made. It appears that a full recovery has been achieved in England from the war damage and from the early post-war years. The factories are coming into full production. They are efficient and well managed. A considerable amount of automation has been introduced into the factories. The British workingman is working efficiently and rapidly. The housekeeping arrangement in the factory was a matter of considerable comment by experienced members of our mission. All told, we were surprised and delighted to see how well advanced British industry is. We were similarly delighted and pleased to see the great interest that the British people have in Canada.

We announced that we had arrived to fulfil two main purposes: first, to investigate for ourselves and see the progress of British industry and its productivity; and second, to inform British businessmen of the great opportunities awaiting them in Canada. We pointed out that our imports into Canada reached the total of $5,700 million per year; that Britain prior to the second world war enjoyed an 18 per cent share of imports into Canada; that such share had now dropped down to about 8½ per cent to 9 per cent; and that in our opinion there was an opportunity at this stage for British businessmen to re-enter the Canadian field and to bring to our shores some of the products which they can so skilfully make because they have the skill and the ingenuity.

We noted with a great deal of interest their very fine apprenticeship system to train their mechanics and their technical experts. We also noted their courses for training their managerial staff. We saw with our own eyes the amenities that are provided for people working in the plants in the way of up to date canteens, recreational facilities and medical and hospital facilities. Along with Sir William Rootes, Mr. Schollie, our labour representative, and Mr. James Duncan, I had the pleasure of meeting with a group in one of the factories, of the shop stewards and others who were selected to represent the views of those who are engaged in the work in the factories. We exchanged opinions and told them about our mission, and they gave us some of their views with regard to what can be accomplished by British industry.

All told, the mission has been a great success. It has carried the name of Canada to the British isles in a way that name has not been carried since the end of the war. The warm feeling of the people in the United Kingdom for Canada cannot be fully expressed by me here this afternoon. It must be experienced to be completely appreciated.

Canada stands very high in the opinion of the United Kingdom. Among the members of our mission and the British people we met over there in conference after conference, there was general agreement that this is a very appropriate time for Canada and the United Kingdom to draw more closely together, not only in trade but in all other ways.

[*Later:*]

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): May I direct a question to the Minister of Trade and Commerce. Did the minister take advantage of his trip to the United Kingdom to discuss further the offer of the United Kingdom to Canada of a free trade area? If so, can he report any progress as the result of such discussions?

Mr. Churchill: Mr. Speaker, I had no opportunity to participate in any such discussion. We were so busy looking at British industrial plants that our time was fully occupied. There may be an opportunity to do so some time in the future to satisfy my hon. friend.

Mr. W. M. Johnson (Kindersley): Can the minister inform the house if there has been any concrete evidence of results of the trade mission, in the form of orders which have been placed with the various representatives who are in Great Britain?

Mr. Churchill: Mr. Speaker, we did not attempt to have a day to day report as to what the individual members of the mission did. After all, there are 50 members in the mission representing 20 major industries in this country. My hon. friend knows enough about business to realize that some negotiations extend over several days or several weeks before they are completed.

Mr. H. R. Argue (Assiniboia): Can the minister say whether any discussion took place during the recent mission for the purpose of expanding Canadian exports to the United Kingdom?

Mr. Churchill: The purpose of the mission was not to expand Canadian exports during the course of the discussions. That will come, of course, as a result of increased trade between the United Kingdom and Canada, because if they earn sufficient dollars they

will be able to buy more Canadian products. We did not enter into any discussion along that line at the time I was there.

Mr. Argue: Were any facilities made available so the farm representation on the delegation might negotiate such further increases in sales, or discuss them?

Mr. Churchill: There are three agricultural members of the delegation, who are all experienced farmers. They are spending this entire week under the guidance of Scottish and English agricultural experts in visiting farms and other establishments in the British isles. They have open to them an opportunity to see first-class herds of beef and dairy cattle. They have an opportunity to see the development of farm machinery in Great Britain. They have an opportunity to look at the research facilities in agriculture in that country. I think their time will be fully occupied this week in making that type of investigation.

Mr. F. G. J. Hahn (New Westminster): I should like to ask a supplementary question. Is the minister prepared to indicate to the house whether in his opinion the decline of trade with Britain from 18 per cent in pre-war days to 8.5 per cent to 9 per cent today is by reason of the fact that Canadian industrialists and the Canadian government are not prepared to accept inconvertible or blocked sterling?

Mr. Churchill: Mr. Speaker, I think the decline in trade between the United Kingdom and Canada did not result from the policy enunciated by my hon. friend. I think he overlooks the fact that during the course of the war years British industry suffered very severely from bomb damage. We had plenty of examples of that in the stories told us of that bomb damage, and the remarkable recovery that has been made surprised the members of the mission. On the other hand, many of the industries of Britain had to divert their attention to the production of war materials. As a result of these two causes their trade with Canada was curtailed. They have now repaired the bomb damage, and their plants are again producing the materials for which they were originally designed, with the result that they are ready to come over here and re-enter the Canadian market.

Mr. Daniel McIvor (Fort William): The minister mentioned visiting Glasgow. I was wondering why he did not visit the city which is the headquarters of the greatest linen manufacture in the world, Belfast in the north of Ireland?

Mr. Churchill: Mr. Speaker, it is with the greatest regret that I will not be with the mission on Friday when it visits Belfast. As my ancestors went from England to Ireland and thence to Ontario, Ireland has a special spot in my heart, and I would be glad to be there with them on Friday.

Mr. A. W. Stuart (Charlotte): Will the Minister of Trade and Commerce state whether or not the Canadian trade delegation will visit southern Ireland? If not, was an invitation extended to southern Ireland to meet the delegation at the proposed meeting in London?

Mr. Churchill: No proposal was made, in organizing the trade mission, that a visit should be paid to southern Ireland. The second part of my hon. friend's question asks whether or not an invitation would be extended to the people of southern Ireland to meet with the trade mission in London. We have not extended invitations to anyone to meet us in London. The 700 requests I have mentioned came from British businessmen throughout the British isles, on their own initiative. We cannot accommodate any more. Other requests may come within the next few days and we will try to meet them, but we cannot, ourselves, extend invitations because we cannot look after all the people who want to see us.

Mr. E. G. McCullough (Moose Mountain): I should like to direct a question to the Minister of Trade and Commerce in respect of the trade delegation. Can the minister inform the house whether or not any preliminary or concrete negotiations were entered into to increase bacon and beef product sales to Britain? If not, why was some official step not taken in order to restore our market for these products in the United Kingdom?

Mr. Churchill: No preliminary discussions were held with the United Kingdom with regard to that. The present trade mission, as I have pointed out, is interested primarily in getting British exports to Canada. We have, in conversations with some of the people we have met, indicated the extent of the decline in trade between our two countries, and how that has affected our agricultural producers.

Mr. Stuart (Charlotte): I should like to direct another question to the Minister of Trade and Commerce. How many textile manufacturers were contacted by the Canadian trade mission in London?

Mr. Churchill: I regret that I cannot answer that question because I have not the information available.

Beef Cattle—Exports

Mr. D. F. Brown (Essex West): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. Could he tell us if his trade mission to Great Britain has visited automobile factories in the United Kingdom with a view to making purchases of more automobiles, and if so with what result?

Mr. Churchill: Mr. Speaker, the trade mission is visiting a whole series of factories in England, some of which may be automobile factories. I do not know of any arrangements with the United Kingdom with regard to the purchase of British automobiles—

An hon. Member: Could we have a yes or no answer?

Mr. Churchill: Ask a simple question and you will get a simple answer—

Mr. Brown (Essex West): I think I have asked a simple question.

Mr. Churchill: I am not suggesting that the question of the hon. member is not a simple one. I was directing my remarks to some of his friends opposite.

[*Later:*]

Mr. Brown (Essex West): Mr. Speaker, may I ask a supplementary question of the Minister of Trade and Commerce. Since the purpose of the trade mission was to increase purchases from the United Kingdom, would he tell us now whether in visiting the automobile plants it was the intention to increase purchases of automobiles from the United Kingdom?

Mr. Churchill: Each member of the trade mission had an opportunity to visit the plants for which visits had been arranged by the committee in charge, and also any other plants to which he might like to pay a visit. As to what those individual members of the trade mission do, as to whether or not they place orders, is entirely up to them. This mission was sponsored by the government with the approval of the entire House of Commons for the express purpose I outlined earlier today, but individuals on that mission are free to place orders or not as they see fit.

BEEF CATTLE—STATEMENT ON EXPORTS TO THE UNITED STATES

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I wish to make a statement in connection with exports of beef cattle from Canada to the United States, as this is a matter of considerable concern and uncertainty at the moment.

During the past few days there have been conflicting reports as to the status of the last quarterly quota on cattle weighing over 700 pounds entering the United States, with news reports to the effect that United States customs were collecting additional duty on cattle over 700 pounds. The latest information available is that, as of November 23, 93,200 head of cattle over 700 pounds from all countries have entered the United States during the last quarter of the year, which would leave a balance of 26,800 head to fill the quota of 120,000 head permitted under the quarterly global quota. Actual exports of cattle weighing over 700 pounds from Canada to the United States for the last quarter are not available, but the exports approximate 79,000, with Mexican imports approximating 14,000.

We are advised that United States customs officers have not been instructed to and are not as yet collecting extra duty, but they have been instructed to date stamp all invoices in view of the fact that the quarterly quota is approaching completion.

Notwithstanding the fact that United States customs collectors are not actually as yet collecting extra duty, there is reason to believe that certain United States customs brokers handling shipments of Canadian cattle are collecting extra duty as a protection to themselves. This is probably the basis for the news reports that additional duty is being collected. It is customary for the United States customs officers to start collecting duty when the cattle quota for those over 700 pounds is approaching completion. Any duty collected by either the United States customs officers or brokers on cattle which eventually prove to be within the quota will be refunded.

Right Hon. J. G. Gardiner (Melville): May I ask a question in regard to cattle shipments. As I recall the total number allowed under the arrangement made at GATT it was about 400,000 for the whole year, with 120,000 each quarter up to a certain number. Are there any other figures with regard to the total number down to the present time?

Mr. Harkness: Mr. Speaker, I can readily get those figures but most of the exports of cattle to the United States, as far as beef cattle are concerned, have taken place during the last quarter. The exports, I think, up to the last quarter were only in the neighbourhood of something under 5,000 head.

[*Later:*]

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to address a question to the Minister of Agriculture arising out of his statement to the house with respect to the news in the papers that there will be

an increase in the customs tax on cattle over 700 pounds going to the United States. Can the minister say whether or not the quota for the export of Canadian cattle to the United States has now been reached? Further, in view of the imbalance of trade with the United States, will the minister say if he will try to get the United States authorities to increase the permitted quota of Canadian cattle to the United States in the fiscal year?

Mr. Harkness: Mr. Speaker, I dealt with that matter fully in the statement I made half or three-quarters of an hour ago, and if the hon. member was not in the house at that time he will find the answers to his questions in that statement.

Mr. McCullough: I was in the house at the time and I listened very carefully to what the minister said. As I recall it, he did not make any statement as to the number of cattle going to the United States, or as to whether or not the government has given any consideration to asking the United States government to increase the quota of Canadian cattle permitted under this agreement.

Mr. Harkness: Mr. Speaker, I gave in the statement the number of cattle which had gone to the United States so far this year and the amount of the quota which was still open for the balance of this quarter. As far as the latter part of the question is concerned, we have not approached the United States to ask for an increase in the quota. As a matter of fact we have not come anywhere close to filling the quota for several years past. Therefore there would be no reason, I would think, in going at the present time to ask that the quota be increased.

REQUEST FOR REPORT ON MISSION TO COMMUNIST CHINA

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Now that the trade mission which was dispatched to China has completed its work, is the minister in a position to advise the house regarding trade possibilities with that country?

Hon. Gordon Churchill (Minister of Trade and Commerce): The visit of a trade commissioner hardly constitutes a trade mission. I have not yet received a report from him on his return.

Mr. Bryson: Will the minister make a statement to the house as soon as that report is received, as he suggested he would do some time ago?

UNITED STATES—REPORTED ADDITIONAL AMOUNT FOR SURPLUS DISPOSAL PROGRAM

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I would like to direct a question to the Minister of Finance. My question arises out of a news service report that the United States cabinet has approved a proposal to be presented to congress asking for an additional $1,500 billion for its surplus disposal program in the coming year.

Would the minister care to comment on this disturbing report, and does he feel the United States government is keeping faith with any understanding that was achieved when he recently met members of the United States cabinet?

Hon. Donald M. Fleming (Minister of Finance): The hon. member was good enough to send me notice of his question, but it reached me about two minutes before I entered the house. I have not seen the report, but we will look into it and advise the hon. member as to the results of our inquiries.

SALMON—FURTHER STATEMENT AS TO IMPORTS FROM JAPAN

On the orders of the day:

Hon. J. A. MacLean (Minister of Fisheries): On Friday last, November 29, the hon. member for New Westminster asked if I had received a letter from the united fishermen and allied workers' union concerning the importation of Japanese canned salmon. I replied at that time that I had, but to clarify the situation I think I should add to the brief answer I gave at that time.

The 1956 and 1957 salmon catches in British Columbia failed to produce sufficient supplies of certain species of salmon to fill the requirements of the Canadian market. The Canadian consumption of canned sockeye salmon has been running in the vicinity of 300,000 cases annually. In the sockeye season just ended only about 225,000 cases were packed, as compared with the average of 440,000 cases for the preceding five years.

The small catches in 1956 and 1957 were due principally to the failure of the runs of salmon to a number of the major producing areas, particularly in the north. Prior to the 1956 salmon fishing season in British Columbia it was known that one of the major river systems would not be a large producer. Hence in the fall of 1955 it was anticipated that there would be a shortage of canned Canadian sockeye salmon from the 1956 season.

In anticipation of the short packs of sockeye and pink salmon in 1956 and the short pack in 1957 of sockeye, the industry considered

that it was most desirable to share the available Canadian canned salmon pack with buyers in the United Kingdom, which market has been a traditional one for Canadian canned salmon and is an important one to retain. The maintenance of the British market for Canadian canned salmon is important for both the fishermen and the operating companies of British Columbia.

Because of this situation it was necessary for the processing companies to supplement the stocks of canned salmon for the Canadian market by importing some species of canned salmon from Japan. This has resulted in the appearance of Japanese canned salmon in Canadian food stores, and has no doubt puzzled some consumers who have always looked upon canned salmon as an exclusively Canadian product. In view of the short supplies in 1956 and 1957 of some species of Canadian canned salmon, chiefly sockeye, it would seem to be good business to make available to the consumer a continuous supply of canned salmon, and this was done by importing high quality canned salmon from the only available source of supply, Japan.

When it was foreseen that there would be a short supply of Canadian canned salmon in the 1956 pack year, processing companies consulted with and advised the united fishermen and allied workers' union of their intention to bring in some supplies of the canned product from Japan. The union at that time concurred in the proposal of the companies. Approximately 165,000 cases of sockeye salmon were imported from Japan in 1956, and in the same year about 40,000 cases of pinks and approximately 40,000 cases of cohoe. The figures I have quoted are for full cases of 48 pounds.

In view of the small Canadian pack of sockeye salmon in 1957 it is understood the processing companies expect to import from Japan, but only sufficient quantities of canned sockeye salmon which will meet the requirements of the domestic market until the new Canadian pack of 1958 is available. The canned salmon industry of British Columbia is confident that the current shortage of sockeye salmon is only temporary, and that in 1958 ample supplies of Canadian production will again be available.

In the meantime, however, it is felt to be important that the market demand for sockeye salmon be satisfied, and that the competitive position of sockeye salmon with other foods be protected. I consider it fortunate that this supply shortage of canned salmon can be filled from Japan, an important buyer of such Canadian products as wheat, pulp, iron ore and other raw materials. It is fortunate too that the temporary shortage of Canadian canned salmon is chiefly confined to the sockeye species. The industry feels that sufficient supplies of Canadian produced cohoe, pinks and chums will be available to the Canadian consumer.

It is important to emphasize that all canned salmon entering Canada must be inspected for quality and high standard under the regulations for the inspection of canned salmon of the Canadian Meat and Canned Foods Act. The same rigid inspection is given to imported canned salmon as to the Canadian product. This inspection is carried out by the inspection service of the Department of Fisheries at its Vancouver laboratory.

In addition to the Canadian government inspection regulations, I am informed that the major importing companies send their own personnel to Japan to inspect very thoroughly all parcels of Japanese canned salmon which they expect to purchase. Thus it can be said that the Japanese canned salmon product undergoes very careful and thorough examination for quality, first by the purchasing companies and then by the Department of Fisheries, before the product is offered for sale in Canada.

With respect to price, I am informed that the basic price of sockeye salmon in Japan, plus freight and 15 per cent duty, plus labelling and selling costs, is so close to the current Canadian market price that there is little or no margin of profit for the Canadian importer.

Mr. Brown (Essex West): Mr. Speaker, might I direct a question to the Minister of Trade and Commerce?

Mr. Irwin: I have a supplementary question, Mr. Speaker.

Mr. Speaker: Would the hon. member for Essex West defer his question?

Mr. Brown (Essex West): Yes.

Mr. T. J. Irwin (Burnaby-Richmond): Will the minister tell us whether he is doing anything about the use of Canadian labels on Japanese products?

Mr. MacLean: Mr. Speaker, the hon. member for Fraser Valley (Mr. Patterson) asked a supplementary question in the same regard on Friday last and I said I would answer him fully today. In connection with the question asked on the matter of imported Japanese canned salmon, may I say this.

The matter of using brand labels on canned salmon from Japan was a decision of the companies importing the product. There are no Canadian regulations against the use of such brand labels on imported canned salmon. It would appear obvious that the companies made the decision on the basis that they had spent, over many years, large sums of money

in advertising their brand labels, and being satisfied with the quality of the imported product, not to have used the established labels would have meant the loss of their advertising and sales promotion campaigns of many years. The practice of using established brand labels on imported canned fish products, where quality is assured, is a common one. The labels mentioned by the hon. member for Fraser Valley are also used on imported canned fish products from other countries, such as shrimps from the United States, sardines from Norway and many other fish imports.

As to the size of the lettering on the labels, "Product of Japan", this condition is governed by section 26 of the Meat and Canned Foods Act. The key words in section 26 are that these words should be printed in a "plain and conspicuous" manner. I might point out for the benefit of hon. members that in the case of meat products there are no specific requirements by the Department of Agriculture with respect to the height or size of labelling on importations of canned meats. In other words, the regulations concerning country of origin are identical for canned fish products and canned meat products.

As far as the labelling of imported Japanese canned salmon is concerned, I am satisfied that there have been no attempts to deceive the Canadian consumer in so far as the designation of the country of origin is concerned. In one or two instances where the Department of Fisheries considered the words "Product of Japan" were not sufficiently conspicuous on the label, this condition has been corrected by the importing companies willingly and without delay.

I might add that all the canned salmon imported from Japan has not been brought into Canada by British Columbia canning companies. In quite a number of cases imports have been made by brokers in Montreal and other centres.

Mr. Winch: When?

Mr. MacLean: Over the last three years.

Mr. Winch: Are you saying that in this last year any imports have been brought in by a broker from Japan?

Mr. MacLean: No; in the previous two years, 1956 and 1955.

Mr. Winch: Only the big three in British Columbia can import from Japan on British Columbia labels.

Some hon. Members: Order.

Mr. Winch: Answer that one.

Mr. MacLean: There are five companies, actually, which are importing salmon from Japan, and there is no restriction on any person bringing in salmon from Japan provided they pay the duty and meet the regulations.

Mr. Winch: Is my hon. friend saying—

Some hon. Members: Order.

Mr. Speaker: Would the hon. member allow the minister to finish his statement?

Mr. Winch: That is not correct, and I know it is not correct.

Mr. Speaker: Order.

Mr. MacLean: In quite a number of cases—

Mr. Winch: Mr. Speaker, may I ask a question of the minister?

Mr. Speaker: No. The hon. member will please keep his seat until the minister has finished his statement.

Mr. MacLean: These companies concerned, Mr. Speaker, I am sure jealously guard the quality of the canned fish products which they are selling under their own brand labels. These same companies, I am most confident, have a long-term interest in the salmon fishing and processing industry of British Columbia.

Hon. L. B. Pearson (Algoma East): I should like to ask a supplementary question, Mr. Speaker. Will the minister be good enough to inform the house when the rest of his estimates will be coming up for consideration?

Mr. MacLean: This is not a question of estimates, Mr. Speaker. They are two matters about which questions have been asked and about which a great deal of misunderstanding has grown up. I therefore thought I should ask the indulgence of the house at this time to put the matter straight.

Mr. Speaker: I did not intend to deny the floor to the hon. member for Vancouver East; if he has a question to ask he may do so now.

Mr. Harold E. Winch (Vancouver East): I should like to ask the minister if he can give information to this house to the effect that the importation of salmon from Japan in the last 18 months could only have been done in the name of the big three of British Columbia, who have an arrangement with the big two in Japan? I have given information to the department of the Minister of Justice (Mr. Fulton) and it has not been disproved. Will the Minister of Fisheries deny that statement?

Mr. MacLean: It is not my intention, Mr. Speaker, to go into commercial transactions which may take place between people who are engaged in the salmon importing business, but I can assure my hon. friend that salmon has been imported into this country by

brokers who are not connected with the processing of salmon in both 1955 and 1956.

Mr. Sinclair: In Vancouver and Montreal.

Mr. F. G. J. Hahn (New Westminster): It has been drawn to my attention that while the minister has been answering questions respecting the contents of the can and the label on the can, it is actually labelled "c-a-n", which would indicate to any housewife that it was a can—

Mr. Sinclair: Just a can.

Mr. Hahn: I am fully aware that it is a can but the minister was asked about the contents.

Some hon. Members: It was just a can.

AUSTRALIA—INQUIRY AS TO NEGOTIATIONS FOR SALE OF WHEAT

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 Trade and Commerce, to inquire whether his department has yet started negotiations with Australia for the sale of Canadian wheat to that country.

Hon. Gordon Churchill (Minister of Trade and Commerce): If Australia wishes to buy Canadian wheat, we are prepared to sell.

AGRICULTURE

FOWL—ANNOUNCEMENT OF CONTINUED PRICE SUPPORT

Hon. D. S. Harkness (Minister of Agriculture): I wish to announce that the agricultural prices support board has been authorized to continue to support the price of fowl to March 31, 1958, at 23 cents per pound at Toronto, live weight basis, for No. 1 fowl 5 pounds and over, or in other words the same basis that has been in effect since July of this year.

NATIONAL DEFENCE

PRESENTATION OF WHITE PAPER BEFORE ESTIMATES CONSIDERED

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I would like to address a question to the Minister of National Defence. Will the minister table a new white paper on defence before the defence estimates come before us later this week, as has been the usual practice, or does he intend to base the debate on the white paper that was presented by the previous government?

[Mr. MacLean.]

Hon. G. R. Pearkes (Minister of National Defence): On the white paper as presented earlier this year. It is not the intention to present a new white paper before my estimates.

Mr. Coldwell: That is to say, the one presented by the former government?

Mr. Pearkes: That is correct.

CHURCHILL—STATEMENT ON REPORTED POWER SHORTAGE

On the orders of the day:

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, on Thursday last the hon. member for Springfield asked whether the Minister of National Defence was aware of a reported shortage of electrical power in the town of Churchill. He then added the erroneous information "which is now supplied by his department". The Department of National Defence does not supply any electrical power to the town of Churchill, nor has it facilities for so doing.

NORTHERN AFFAIRS

REPORTED FAILURE OF SUPPLIES TO REACH MISSIONARIES

On the orders of the day:

Hon. Jean Lesage (Montmagny-L'Islet): I would like to address a question to the Minister of Northern Affairs and National Resources.

According to a news item in the newspaper *Le Devoir* this morning, seven missionaries are in distress in the Arctic because the supplies that were shipped to them did not reach them at their stations at Repulse Bay, Pelly Bay and Igloolik. What action does the minister intend to take, if any, to see that supplies do reach them for the winter?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I will take this question as notice. This is the first time it has come to my attention.

POWER

COLUMBIA RIVER—INQUIRY AS TO ENGINEERING REPORTS

On the orders of the day:

Hon. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, I have another question to direct to the minister of northern affairs, of which I gave him notice. Has he now received the final report of the British Columbia Engineering Company regarding the possibility of a diversion of the waters of the Columbia to the Fraser river? Also, has he now received the final report of the Montreal Engineering

Company Limited regarding the possibilities of developing the water resources of the Columbia basin by integrating the program with that of the United States?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I should like to thank the hon. member for Montmagny-L'Islet for having given me notice of this question. The answer to the first question is yes, on January 9, 1957.

The answer to the second question is as follows. A report by Montreal Engineering entitled "The Development of Canada's Water Power Resources in the Columbia River Basin", which examines several alternative developments, was received by the department yesterday, December 2, 1957.

Mr. Lesage: Is it the intention of the minister to table these two reports?

Mr. Hamilton (Qu'Appelle): I would suggest, Mr. Speaker, that we would like to examine them first and decide then.

Mr. Lesage: If the report in the first case was received on January 9, 1957, I am sure the report has now been examined. Is it the intention of the minister to table the British Columbia Engineering Company report.

Mr. Harkness: Why didn't you table it?

Mr. Lesage: I was not asked for it.

Mr. Hamilton (Qu'Appelle): Mr. Speaker, I think it is very important that we get the answer of the Minister of Northern Affairs and National Resources on the record. I suggest the hon. member knows there are very good reasons why we are unable to table reports of such a nature dealing with such a matter until such time as things have progressed to a greater extent than they have today.

Mr. Lesage: I am sorry that I have to ask another question, but I should like to know what the minister means when he says "until things have progressed more than they have up to now". What has the minister done to see that they do progress?

Mr. Hamilton (Qu'Appelle): Mr. Speaker, I have made it very clear that when we have information to report to this house it will be given.

[*Later:*]

Mr. T. S. Barnett (Comox-Alberni): I should like to direct a question to the Minister of Northern Affairs and National Resources related to the question asked him earlier by the hon. member for Montmagny-L'Islet. Could the minister tell the house whether the government of British Columbia also has copies of the engineering report to which he referred, and if so is his refusal to table this document at this time based on some understanding with the government of that province?

Mr. Speaker: Order. Before that question is dealt with I think I should give my view that it is not the sort of question that should be asked in this house, because it relates to something that could only be answered by the government of British Columbia. I would therefore suggest to the hon. member that the question is not in order.

Mr. Barnett: I wonder, with deference, if I might make reference to my reason for presenting this question to the minister. My understanding is that in relation to this matter connected with the Columbia river there is in effect an agreement between the governments of Canada and British Columbia, and in that connection I understand there has been in the past some arrangement for the exchange of these documents. I was going on the assumption that this document might come within the purview of the agreement, and it was for clarification of that point that I had in mind in presenting this question.

Mr. Speaker: I do not think that alters my view. The question has been asked of the minister as to whether his government has received a copy, and he has dealt with that. Now we are asking if the British Columbia government has received a copy, and it seems to me that is not a question which should be asked.

Mr. Lesage: May I, with deference, speak to this point? I believe what the hon. member asked was this: "Has the Department of Northern Affairs and National Resources forwarded copies of these reports to the government of British Columbia?"

Mr. Speaker: If that had been the question I would have allowed it, because it would have been a question as to this government's action. The question was whether the hon. member could be informed whether the British Columbia government had received it. The hon. member may want to modify his question, but as it is it is out of order.

[*Later:*]

Mr. H. W. Herridge (Kootenay West): I have had a supplementary question, Mr. Speaker, which I would now like to direct to the Minister of Northern Affairs and National Resources. My question is a result of his reply to the hon. member for Montmagny-L'Islet, who asked a question concerning the development of the Columbia

river. There is a feeling in British Columbia that the government has reached a state of inertia with regard to the Columbia.

Would the minister please answer this question. Have there been any negotiations undertaken between representatives of Canada and the United States, or are negotiations now being undertaken between the representatives of Canada and the United States, with respect to the development of the Columbia, the settlement of downstream benefits, and things of that sort?

Mr. Hamilton (Qu'Appelle): Mr. Speaker, on a number of occasions in this house I have tried to get this question on a plane where we could handle this matter in our own way—

Some hon. Members: Oh, oh.

Mr. Hamilton (Qu'Appelle): I know how anxious the house and all Canadians are to receive information on this matter, because this is one thing that is of very great importance to all the people of Canada. I can assure this house that we have moved as quickly and with as much urgency as we know how; and the way we are going at it will, I am sure, in the final analysis be measured in the results we have achieved; just as in the case of the results we have achieved in the maritimes and, I hope, Saskatchewan.

Mr. Lesage: This was done before you came in.

An hon. Member: Just sitting down doing nothing.

Mr. Hamilton (Qu'Appelle): I think the Columbia will be judged in the same way.

Mr. Lesage: May I ask a supplementary question. Since the meetings in Washington on May 20, have the documents which were supposed to be prepared both in Washington and in Ottawa been exchanged between the two governments with respect to the Columbia development and downstream benefits generally?

Mr. Hamilton (Qu'Appelle): Mr. Speaker, the answer to that question is, to my knowledge, no.

Mr. Lesage: Has the Canadian government prepared the documents it was supposed to prepare and to exchange with the United States authorities? If not, what is the reason for the delay?

Hon. Howard C. Green (Minister of Public Works): The hon. member for Okanagan-Revelstoke (Mr. McLeod) some days ago asked the Prime Minister the following question:

> Is the present Canadian ambassador to the United States continuing the efforts of his predecessor to have the question of downstream benefits on international rivers considered a top priority problem for settlement with the United States? Could we have an up to date report on the progress, if any, that has been made?

I have an answer here which I was prepared to make today for the Prime Minister in the following words. I am sure my hon. friend will understand that in such matters it is inappropriate to endeavour to state publicly just what the current degree of progress is. However, I may say that the government has given the matter of the Columbia river a high priority, and a good deal of time is being devoted to the examination of all facets of this complex problem. In particular, recent developments in British Columbia and further information on the engineering aspects of the question have introduced new elements for consideration.

The hon. member for Montmagny-L'Islet will remember that earlier this afternoon the Minister of Northern Affairs and National Resources pointed out that the final report from Montreal Engineering had been received only yesterday. Now there are many different factors to be considered, and these are all being dealt with as quickly as possible by the government. But I suggest to him, and I am sure he will agree, that it would be very unwise to have an interim statement made in the house where there is the necessity for the completion of negotiations with another country.

Mr. Lesage: I am sorry, Mr. Speaker, but the Minister of Public Works himself when he was on this side of the house—

Some hon. Members: Question.

Mr. Lesage: —was the one to press the other side on that subject—

Some hon. Members: Question.

Mr. Lesage: —and to insist on obtaining answers to his questions. My question to the Minister of Northern Affairs and National Resources was a very simple one, and I have not been answered.

[*Later:*]

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, my supplementary question to the Minister of Northern Affairs and National Resources is a very simple one, which was originally asked by the hon. member for Kootenay West (Mr. Herridge). Are negotiations proceeding between Canada and the United States regarding the Columbia river basin? That is all.

Mr. Green: I can answer that question—

Some hon. Members: Oh, oh.

Mr. Green: I have already dealt with the question in the statement which I read for the Prime Minister. Negotiations have not been suspended at all.

Mr. Lesage: But nothing has been done.

Mr. Coldwell: But I understand there has been no exchange of documents.

Mr. Green: No which?

Mr. Coldwell: It takes three ministers to answer a simple question?

Mr. Green: These negotiations with respect to this question have not yet been completed, but they will be completed at the earliest possible time.

Mr. Lesage: They have not been continued, you mean.

PRIVILEGE

MR. ANDERSON—NEWS REPORT OF SPEECH BY MEMBER FOR BONAVISTA-TWILLINGATE

On the orders of the day:

Mr. William Anderson (Waterloo South): Mr. Speaker, I rise on a question of privilege. As a new member in this house I have not made my maiden speech as yet, but I have been a regular attendant and very interested in following the procedure. After 16 years of municipal experience, including four years as mayor of the city of Galt, I felt I did not want to waste the time of this house simply to get my name in *Hansard* until I had something very definite to contribute.

I want to point out that in all my public service I have been very active and regular in my attendance. Now I am coming to the point. It was, therefore, a big surprise when I read in my local paper that while on a speaking engagement in Waterloo South on Thursday, November 28, addressing a Liberal association in the riding of Waterloo South, the hon. member for Bonavista-Twillingate (Mr. Pickersgill) made a statement to this public meeting at Galt that so far in the session he had not noticed me in this house, and that he did not think anyone else had noticed me either.

Some hon. Members: Shame.

Mr. Fleming: A contemptible personal remark.

Mr. Anderson: He also stated that in former years they had always known when a contemporary of his was in the house.

Mr. Pickersgill: That is perfectly true.

Mr. Anderson: Had this order been reversed the statement would be more correct. Coming from a former cabinet minister a statement of that kind is of the lowest order, and would imply that I had not been in attendance. I simply want to make this short statement to bring to the attention of my constituents the fact that I have been a regular attendant at all the sittings here.

An hon. Member: Is this your maiden speech?

Mr. Anderson: Although the hon. gentleman opposite has not noticed me as yet I feel that he may very well do so in the future, as I intend to get my feet under the table before I sound off; and it is my intention to serve all the citizens in my riding to the best of my ability.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I apologize to the hon. member for not having noticed him. I will not make the same mistake again.

Mr. Gauthier (Portneuf): You are on the record now. You are all right.

POST OFFICE DEPARTMENT

REPORTED DELAY IN ISSUING SUMMER UNIFORMS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in view of the minister's previous insistence on the practice of exactitude, rectitude and promptitude by the Post Office Department, I want to address a question to the Postmaster General. Does the minister know that it has recently been the practice of the haberdashery branch of his department to issue the postmen summer clothing just prior to the coming of winter? Can the minister assure the house that he will take action to correct this Rip Van Winkle approach to life and the seasons on the part of the branch concerned?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I thank the hon. member for giving me notice of all except the first sentence of his question, and dealing with that first sentence I want to say that I am all in favour of exactitude, rectitude and pulchritude as well.

Mr. Sinclair: We know that.

Mr. Hamilton (Notre Dame de Grace): Both my officials and I are aware of this situation, which is a serious one—which was a serious one—across Canada throughout the past summer. It arose because the previous government—

Some hon. Members: Oh, oh.

Mr. Hamilton (Notre Dame de Grace): —awarded the contract for this clothing to a contractor who had already demonstrated

unsatisfactory performance but who apparently had a special attraction for them, before this government took office.

Mr. Marler: What does the hon. gentleman mean by that?

Mr. Hamilton (Notre Dame de Grace): In view of discussions I have had with my very able officials, Mr. Speaker, I do not anticipate that this situation will arise again, particularly—

Mr. Sinclair: Not until next Christmas.

Mr. Hamilton (Notre Dame de Grace): —because there are no Rip Van Winkle characteristics about the new government.

FINANCE

REPORTED CABINET LEAK RESPECTING EXCISE TAX CHANGE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Acting Prime Minister. Is the government aware of the statement that was made over the C.B.C. this morning by Mr. John Maclean of the *Financial Post* that it looks as though there has been a cabinet leak. He also said this always gives the Prime Minister the twitches. Can the Acting Prime Minister say whether the government has run down this and other reports to the effect that there has been a cabinet leak concerning an excise tax change?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, the Minister of Finance will answer that question.

An hon. Member: Who is the Acting Prime Minister?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I received at my office just a short time ago a telephone message from Mr. Maclean, and I gather that the substance of his telephone call relates to the matter referred to by my hon. friend. Apparently Mr. Maclean made something of a broadcast this morning in which he made reference to a statement appearing in an address I delivered yesterday relating to the October figures for the consumer price index in Canada—

Mr. Sinclair: When does parliament get those figures?

Mr. Fleming: —and suggested these might have been advance figures. The message from Mr. Maclean indicated that on looking into the matter he found and now fully realized that these figures had been made public several weeks ago, that I had referred to them in the house already on several earlier occasions, and that his remarks suggesting that there had been some leak in this respect were entirely without foundation.

[*Later:*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question, either of the Prime Minister or the Minister of Finance, arising from the fact that the Minister of Finance must have misunderstood my previous question. I asked about what Mr. John Maclean said over the C.B.C. this morning. My reference was not to the premature release of D.B.S. statistics, but to Mr. Maclean's reference to the fact that it appeared as though there had been a cabinet leak regarding excise tax changes. My question was, has the government run down this and other reports concerning a cabinet leak in that field?

Mr. Fleming: I thank my hon. friend for his clarification. He will understand that I did not hear the broadcast in question and I did not have a copy of the script, but simply went by a message that reached my office. If he is referring to an alleged leak in relation to the matter of excise tax, let me assure him and the house that there was no such thing as a leak from any cabinet source, from the Department of Finance or any government official. What he refers to is pure and simple newspaper speculation.

Mr. Knowles (Winnipeg North Centre): Has the government ascertained where the newspapers got the basis for that speculation?

Mr. Speaker: I think that clearly goes too far. How can the government be expected to know where the newspapers get their information?

BRIDGES

OTTAWA—INQUIRY AS TO DISCUSSION WITH PREMIERS OF QUEBEC AND ONTARIO

On the orders of the day:

Mr. Alexis Caron (Hull): Mr. Speaker, in the absence of the Prime Minister may I direct a question to the leader of the house. Last week the mayors of Hull and Ottawa sent telegrams to the Prime Minister and the premiers of Ontario and Quebec relating to the construction of a badly needed bridge over the Ottawa river east of the present Alexandra bridge. Can the minister tell us if the question has been discussed with the premiers of Quebec and Ontario?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, if I remember correctly the Prime Minister dealt with this question some days ago. It is my understand-

ing that a new bridge could only be built by agreement among the different parties concerned.

Mr. Caron: Is it the intention of the government to take up the matter of the building of such a bridge with the premiers of Ontario and Quebec in the near future?

Mr. Green: This would be an interprovincial bridge and, as I pointed out a moment ago, if a new bridge is to be built it would have to be by the three governments co-operating, namely the federal government and the two provincial governments. I think the federal government throughout has taken the position that it is willing to co-operate.

Mr. Caron: That does not answer my question. I want to know if it is the intention of the government to discuss the matter with the premiers of Quebec and Ontario.

Mr. Speaker: I think the hon. member has had an answer to his question. He has had two attempts to clarify it, and it seems to me that is sufficient.

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR INTERVIEW WITH PRIME MINISTER

On the orders of the day:

Mr. D. F. Brown (Essex West): I should like to address a question to the Prime Minister, but in his absence perhaps his parliamentary assistant could take it as notice. Has the Prime Minister received a letter from the city clerk of Windsor, acting on behalf of the metropolitan committee composed of mayors and reeves of Windsor, Riverside, Tecumseh, Lasalle, Sandwich East township, Sandwich West township, Sandwich South township, St. Clair Beach and Ojibway, dated November 22, requesting an appointment to meet with him and the Minister of National Health and Welfare and the Minister of Public Works?

Since the Prime Minister is not present perhaps I might be permitted to ask an additional question. Was the Prime Minister advised of my telephone request of November 28 to his secretary attempting to arrange such an interview? Also—

Some hon. Members: Order.

Mr. Brown (Essex West): —has the Prime Minister had drawn to his attention my letter to him dated November 28, requesting such an interview by the committee? If so, would he kindly indicate when he may meet with this committee?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I do not know whether I am supposed to answer that question as parliamentary assistant to the Prime Minister, as Minister of Public Works or in what capacity, but I understand that the answer has gone out and it has been suggested that the delegation should meet the Prime Minister next Wednesday.

AIRPORTS

LAKEHEAD—EMERGENCY SERVICE FOLLOWING FIRE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I would like to direct a question to the Minister of Transport. What steps has your department taken to provide emergency facilities at the lakehead airport following the disastrous fire of last Friday?

Hon. George H. Hees (Minister of Transport): I would like to thank the hon. member for his courtesy in advising me of his intention to ask this question and I would also like to thank the hon. member for Fort William (Mr. McIvor) for having advised me of his intention to ask a similar question.

This fire destroyed power and communications facilities, and interrupted the operation of the control tower. Immediately after the fire an emergency team from the departmental district headquarters in Winnipeg proceeded over the week end to the lakehead and have since, I believe, been successful in restoring communications and power on a temporary basis. They are also exploring the possibility of restoration of control tower services on a temporary basis. Permanent reconstruction of the necessary facilities will, of course, be proceeded with as soon as possible.

Mr. Daniel McIvor (Fort William): A supplementary question, Mr. Speaker. Whereas the airfield outside Fort William is the first government baby which the former minister of trade and commerce planted in Fort William, and whereas it is our duty to see it is properly protected and nourished, I ask the minister if he has received any request from any source that the field be removed further west of Fort William. I thank him for his courtesy.

Mr. Hees: Mr. Speaker, I have had no such request.

PIPE LINES

TRANS-CANADA PIPE LINES—PRESSURE APPLIED DURING TEST

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, on Friday last the hon. member for Moose Jaw-Lake Centre

Inquiries of the Ministry

(Mr. Lewry) asked if I could obtain the pressure rate being applied during a test of the Trans-Canada pipe line prior to the break which occurred near Mortlach on November 3, in view of the statement that the pipe was designed for a working pressure of 826 pounds.

The board of transport commissioners advise me that the answer is 852 pounds per square inch. I might add that this portion of the Trans-Canada pipe line, which is designed for a working pressure of 826 pounds, must be tested at a pressure of 910 pounds per square inch before the company is authorized by the board to operate the pipe line.

The board state that the pressure had been raised to 910 pounds in the section of pipe between valve 9 and valve 12, and it was when the pressure was being equalized in the sections between valves 9 and 12 and valves 12 and 13 that the break occurred when the pressure in the portion between valves 12 and 13 reached 852 pounds.

POSTAL SERVICE

COST OF SENDING PARCELS TO ENGLAND AND GERMANY

On the orders of the day:

Mr. Stanley Haidasz (Trinity): Mr. Speaker, I should like to ask the Postmaster General whether he is aware that it costs more to send a 20-pound parcel direct to England than it would cost to send a similar parcel direct to Germany; and, if so, what steps has he taken to rectify this unjust discrepancy?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I will be very glad to look into the matter and give an answer to the hon. member, perhaps by correspondence, as this question might very well have been put on the order paper. However, I might point out to him that this is a matter which would, I should think, come within the purview of the international postal union and not within the purview of any individual government.

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 direct a question to the Minister of Transport. In view of a news report in the Charlottetown *Guardian* of November 30 that the minister had stated he was particularly interested in making the Prince Edward Island causeway a toll road, will he tell the house what progress is being made on this project?

Hon. George H. Hees (Minister of Transport): I am very glad to advise the hon. member and the house that I have never made any such statement.

BUSINESS OF THE HOUSE

INQUIRY AS TO METHOD TO BE PURSUED IN MAKING TAX CHANGES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance arising out of the statement regarding the business of the house which was made yesterday by the Prime Minister. I refer in particular to the statement of the Prime Minister when he said that in so far as changes in income tax are concerned, those changes could be made by notice. Does this statement of the Prime Minister, coupled with the statement that there will not be a formal budget at this session, mean that any tax changes to be made by the government will be made merely by means of government notice, without any moving of the motion or any debate this session.

Hon. Donald M. Fleming (Minister of Finance): If I accurately apprehend the hon. member's question, I would say that he has not grasped the purport of the Prime Minister's remarks.

Mr. Knowles (Winnipeg North Centre): Then would the Minister of Finance explain what the Prime Minister meant by his statement yesterday?

Mr. Fleming: Mr. Speaker, I think it will be simpler if I told the hon. member and the house that I hope the estimates of the Department of Finance will be before the house before the end of this week, and at that time I will be glad to deal fully with all these matters.

Mr. Knowles (Winnipeg North Centre): Can the Minister of Finance not say what the Prime Minister meant yesterday; whether at this session there will be notices of motions regarding tax changes, and if so will those motions be moved at this session?

Mr. Fleming: Mr. Speaker, I think the hon. member will have a full and complete answer to his question if he will just wait a day or two until the estimates of the Department of Finance are before the house, because at that time I propose to deal with all subjects relating to the government's financial policy so far as they arise this session.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. May I ask the Minister of Finance whether, when he speaks to his estimates, he will be giving us what will amount to a balance sheet or a budget statement indicating the state of the finances of the country at the present time.

Mr. Fleming: It is a question of degree, I should think. I do not think that at the stage we have reached of this short session it would be expected that I should enter upon a detailed review of the whole economy of the country, as is normally done by a minister of finance during a budget speech, when he points up the highlights of the lengthy white paper it is customary to table.

However, I would assure the house that I have expected at all times—and I shall be happy to do this, since the house will expect it of me—to give a statement of the balance of ways and means to indicate precisely where we stand financially, as the hon. member is asking.

GRAIN

WHEAT—REPORTED PRESENCE IN CANADA OF RUSSIAN TRADE MISSION

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce arising out of a news item to the effect that there is a Russian trade delegation presently in Canada and that they are interested in many Canadian products. It is also mentioned that they are interested in wheat. Can the minister state whether or not this trade delegation has been met by officials of the government, and whether or not there is any hope that we might have a sale of some of our Canadian wheat to Russia?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I am aware that there is a Russian trade delegation in Canada, just as there was a Russian hockey team here a little while ago.

Some hon. Members: They are still here.

Mr. Churchill: Russia has been buying wheat from us, and some of that wheat is still being shipped to Russia. Whether or not they are in the market for more wheat at the present time, I do not know.

Some hon. Members: Why not?

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, I wish to direct a question to the Acting Prime Minister in his capacity as Minister of Public Works. On November 22 the minister stated that he would be glad to look into the situation respecting demolition of the buildings preparatory to the erection of a new post office in Windsor. May I ask if he is now prepared to give an answer?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I am rather surprised at the hon. member asking me this question. I explained to him a few days after the opening of this session in October that one of the big difficulties in going ahead with this demolition work is that his own government did not provide anything in the estimates which we could use to do the work, and that is still the position. However, I will say this. We are trying very hard to devise some way to get around that difficulty, so we can get authority from the treasury board to go ahead with the work. All our problem in this regard has been caused by the former government.

Mr. Pickersgill: Nonsense. You brought in supplementary estimates.

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 to consider the following resolution:

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 fifty-two 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 thirty 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 and the house went into committee, Mr. Courtemanche in the chair.

Mr. Hees: Mr. Chairman, I intend to make a short statement at the opening of this debate. First I would ask to have distributed among hon. members some eight copies of a map showing the area in which the railway lines are being built. I have

always found it a lot easier to follow what is going on if I could see on a map where the particular projects were being constructed, and I would ask that the maps be distributed amongst hon. members.

This resolution seeks to authorize the Canadian National Railways, first, to construct a line of railway from Optic lake to Chisel lake, in the province of Manitoba, a distance of 52 miles, at an estimated cost of $8,840,000; and second, to purchase and operate as part of the Canadian National Railways system a line of railway being constructed by the International Nickel Company of Canada, Limited, between a point on the Hudson Bay Railway near Sipiwesk and a point on the Burntwood river near Mystery lake, also in the province of Manitoba, a distance of 30 miles, at a price not exceeding $5,400,000.

The main purpose of the proposed railway lines is to provide outlets for the mines which are being developed both at Chisel lake and in the vicinity of Moak and Mystery lakes. In addition, the lines would aid in the development of a substantial area which shows evidence of possessing considerable mineral wealth.

Chisel lake lies about 80 miles northeast of The Pas and 52 miles east of Optic lake, which is a point on the Lynn lake line of the Canadian National Railways. Substantial ore reserves, consisting mainly of zinc and copper, are being developed in the Chisel lake area on the property of the Hudson Bay Mining and Smelting Company, Limited, and rail service to move this ore to the mining company's mill at Flin Flon will be required by 1960.

The Mystery lake branch line would serve principally to move large nickel deposits owned by the International Nickel Company in the vicinity of the townsite of Thompson, and also in the Mystery-Moak lakes area, a short distance to the north. It would also serve the International Nickel processing plant at Thompson, consisting of a mill, a smelter and a refinery, in addition to the townsite itself with a population of 8,000 people. The deposits in the Mystery-Moak lakes area will be linked to Thompson by a private railway owned and operated by the International Nickel Company. The 30-mile railway which the Canadian National proposes to purchase would therefore connect the townsite itself with the Hudson Bay Railway.

The construction of this line has been financed by the International Nickel Company because it was desirous of obtaining railway service at the earliest possible date and the Canadian National Railways did not have the necessary parliamentary authority to make the required capital expenditures. In the circumstances, the management of Canadian National agreed to let the nickel company build the line with the company's own funds and subject to the authorization of parliament, to purchase the line upon its completion, provided construction was to the entire satisfaction of the railways chief engineer and in accordance with standards of construction approved by the board of transport commissioners.

To guard against excessive costs which might result from the desire of the nickel company to construct the line in a short period of time, it was agreed that the purchase price would be the costs which Canadian National would have incurred if the line had been built by it in the normal course of events and under a normal construction schedule. Limited operations by the Canadian National under a temporary lease arrangement have already begun over this line in order to meet the urgent needs of industry.

I am advised that in both cases the mining developments to which I have referred are of such magnitude that the construction, in one instance, and the purchase, in the other instance, of the proposed branch lines would constitute good business ventures. Nevertheless, the Canadian National has secured from both of the industries concerned guarantees of a minimum volume of traffic or minimum revenues for a period of ten years with adequate penalties should traffic or revenues in any year fall short of the guarantee.

I trust that the resolution will commend itself to the house as an important step towards the development of a substantial area of northern Canada and the opening up of new frontiers. Perhaps the house will permit me to add that when the bill that will follow the resolution has been given second reading I propose to move that it be referred to the committee on railways, canals and telegraph lines.

Mr. Marler: Mr. Chairman, the resolution now before the committee is preliminary, as the minister has indicated, to the introduction of a measure to authorize Canadian National Railways to do two things; first, to construct a line of railway from Optic lake to Chisel lake in the province of Manitoba, a distance of approximately 52 miles, at a total estimated cost of $8,840,000 and, second, to purchase from the International Nickel Company of Canada a line of railway from a point at or near Sipiwesk on the Hudson Bay Railway to a point on the Burntwood river at or near Mystery lake in the province of Manitoba, a distance of 30 miles, at a price not exceeding $5,400,000.

I should like to mention to the committee that as favourable consideration was given

to both of these projects by the former government of which I was a member I may assure the committee that it is not our intention to delay the passing of the resolution or the measure which will follow the adoption of the resolution. I think, however, that the presentation of this resolution does afford an appropriate occasion to emphasize the importance of railroad development to the economy of Canada.

I do not want to spend much time in dealing with this aspect of the question but I do think it is fair to point out that railroad building in Canada came to a virtual halt many years ago. We had some 42,047 miles of railway in operation in 1930, 42,248 miles in 1948 and 42,953 in 1952. The difference between the last two figures which I have just given is explained by the inclusion in the statistics for the first time of the 705 miles of railway in Newfoundland which were taken over in 1949. But I should like to emphasize that since 1952 a number of important projects have been carried out, a large part by the Canadian National Railways and some by other railway companies.

I may mention by way of illustration the 144 miles of line from Sherridon to Lynn lake in Manitoba which, of course, makes possible now the construction of the proposed branch line from Optic lake to Chisel lake. I might mention also the 300 mile line partially completed between Beattyville-Chibougamau and St. Felicien in the lake St. John area in Quebec, and also the shorter lines from Terrace to Kitimat in British Columbia, from Hillsport to lake Manitouwadge in northern Ontario and more recently the line fom Bartibog to the Tomogonops river in New Brunswick. In addition to these, there are two other important projects, first, that of the Quebec, North Shore and Labrador Railway, a line about 300 miles in length from Seven Islands to Knob lake, and the more recent project of the Pacific Great Eastern 256 miles in length from Prince George, British Columbia, to Dawson Creek.

What is particularly gratifying, I think, to all Canadians in considering the railroad development that has taken place in relatively recent times is that the purpose has been to promote the further development of our natural resources. In some instances it has been the development of iron ore; in other cases, the development of deposits of base metals; in other cases it has been the development of timber resources and, as many hon. members know, in the case of the line between Terrace and Kitimat it has been the development of hydroelectric power for the production of aluminum from imported bauxite.

It is rather significant, Mr. Chairman, that this same pattern is being followed in the case of the two branch lines which are covered by this resolution. I am not familiar with the development expenditures which the Hudson Bay Mining and Smelting Company proposes to make in connection with the zinc and copper deposits to which the minister referred in his explanation a moment ago, but it is a matter of public knowledge that the International Nickel Company last year, before the actual commencement of the Sipiwesk-Mystery lake branch line had been undertaken, announced its intention to spend $175 million for the development of these mineral deposits.

So that, Mr. Chairman, the matter of satisfaction to Canadians is, it seems to me, that railroad development marches forward hand in hand with the development of our natural resources and not only makes possible the development of those resources but also makes it reasonable and good business for the owners or operators of these mineral deposits to lay out very substantial sums for development purposes.

Another matter that I think is of importance and also a source of satisfaction to those who have been interested in transportation in Canada is that in all of the cases of branch lines to which I have referred—there may be other examples which might be cited also—except the Beattyville-Chibougamau-St. Felicien branch line, the traffic in prospect has been sufficient to make the project self-supporting either immediately or in the short-term future and it has not been necessary for the government to provide substantial subsidies to make possible the building of these various branch lines. The exception, of course, is the Beattyville-Chibougamau-St. Felicien branch line for which a subsidy of $25,000 per mile was granted by the government because it believed that the construction of that line, which was self-liquidating in part, would open to development a large area of mining territory which ultimately would prove advantageous to the Canadian people. The other exception which I perhaps should mention is the offer of a subsidy which was made in connection with part of the P.G.E. in British Columbia but that is not, of course, connected with the resolution now under consideration.

From what the minister has said in introducing the resolution it is quite clear that this same characteristic, that is to say, of there being adequate traffic to support the project, applies to the two branch lines which are provided for in the resolution now before the committee. In other words, the Canadian

National Railways are to lay out rather substantial sums to provide for the capital cost but the revenues, or perhaps I should say additions to the operating profit, which will be in prospect will be sufficient to meet the annual cost of operation and to provide a reasonable return on the company's investment.

As the minister has pointed out, arrangements have been made with regard to future traffic over the branch lines which have been completed by Canadian National Railways with the mining interests that are to be served by these lines. I take it, Mr. Chairman, since the minister has said the bill will be referred, after second reading, to the standing committee on railways, canals and telegraph lines, that we shall have an opportunity then of going more fully into the traffic arrangements that have been concluded between these two mining companies and the management of Canadian National Railways. Consequently I do not think any useful purpose would be served by my making now any more extensive remarks with regard to those traffic arrangements.

There is only one point which I should like to draw to the attention of the minister particularly, and that is the purchase price of the line to be acquired from the International Nickel Company. During the course of his remarks, he gave the impression that one reason why this particular branch line had not been completed by Canadian National Railways was that the company did not have the necessary parliamentary authority to make the expenditures that would have been needed for that purpose. This is not my own recollection of the circumstances, Mr. Chairman. As I understood the circumstances earlier this year they were that the International Nickel desired to have this branch line completed at a much earlier date than would have been possible had Canadian National proceeded to build it with railway forces or by contractors in the usual manner and by saying "in the usual manner" I mean that no additional expense would have been incurred by the railway in order to hurry the completion of the line before what might be described as a normal date.

When the matter was discussed with me earlier this year, it was represented to me that this was, in the view of the nickel company, a crash program that had to be undertaken, and as I understood the arrangement between the Canadian National and the company it was to the effect that the railway company would pay the nickel company the cost that would have been incurred by Canadian National if the construction of the branch line had been carried out at a normal pace and in the fashion in which such branch lines are usually constructed. I have a record of the cost figure which was considered at the time to be the maximum amount which the railway would be called upon to pay to the nickel company. As I would say to the minister, and he will have the necessary information available in his files, that the cost as set forth in the resolution substantially exceeds the figure which was mentioned at the time the matter came under consideration under the former government.

I do not raise that point as an objection, Mr. Chairman, because I realize fully that the figure we had in mind earlier this year was an estimate, and an estimate made at a time when the work had not been completed and when all the physical difficulties, the delays and the costs had not been definitely established. I should like to suggest to the minister that when the bill is considered in the standing committee on railways, canals and telegraph lines, arrangements be made to explain why there has been, over this relatively short period, such a substantial increase in the estimated cost of this branch line. I have no doubt, because of my own experience and association with the management of Canadian National Railways, that the management will be able to give convincing reasons why there is a difference between the two figures. But I do think I should emphasize the matter as it does seem to me that an explanation would be desirable, and I am sure it will be freely given.

I conclude by saying I do not wish for a moment to delay the passage of this resolution, and that it is our intention, for the reasons I have already given, to support not only the resolution but the legislation which is based on it.

Mr. Knowles (Winnipeg North Centre): We in this group are pleased to give our general support to this resolution, and we welcome the statement of the minister that the bill, after second reading, will be referred to the standing committee on railways, canals and telegraph lines. I should say that I am happy, not only to indicate the general support of this group for this legislation, but since I am the first member from Manitoba to speak since the matter has been raised I may say that in Manitoba we welcome whole-heartedly these developments that are taking place in the northern part of our province.

We in this group, of course, are anxious that the benefits from these developments might accrue to the people of this country. We are anxious also that, in view of the important part played by the railways in making these developments possible, the

workers who run the railways might get the best possible wages and working conditions as a result of their employment on the railway lines of this country. With these general comments, as I say, we are pleased to give our support to this legislation and to learn that the bill will be referred to the standing committee.

With regard to the last point that was raised by the former minister of transport, the hon. member for St. Antoine-Westmount, it seems to me that the discrepancy between the original estimate of what the Canadian National Railways would have to pay for the Mystery lake-Sipiwesk line and the amount of $5,400,000 which is set out in this legislation should be explained today rather than waiting until this legislation is before the standing committee. The Minister of Transport can speak as often as he likes now that we are in committee on this resolution, and I would hope that he would tell us what he knows with reference to the matter that has been raised by the hon. member for St. Antoine-Westmount. I noted that the last speaker did not give the amount of the estimate made earlier this year. Certainly if the difference between that estimate and this figure of $5,400,000 is of any size, I would say we are entitled to an explanation today rather than having to wait until a later time.

The hon. member for St. Antoine-Westmount will not mind if I take a moment to correct him on his geography. After all, coming from the city of Montreal as he does, he may not be acquainted with the wilds of northern Manitoba. I did note that he referred to the construction not long ago of the branch line from Sherridon to Lynn lake. I heard him say that it was the construction of that line that now made it possible to build the branch line from Chisel lake to Optic lake. Perhaps if the hon. member will look at the map, he will realize that Optic lake is on the part of the line between Cranberry Portage and Sherridon, which has been there for many years.

Mr. Marler: I stand corrected, Mr. Chairman.

Mr. Knowles (Winnipeg North Centre): I am sure the hon. member would like to have that correction made in so far as the geography of northern Manitoba is concerned. As we have indicated, Mr. Chairman, we welcome the fact that this legislation will be referred to the standing committee and on that basis we are happy to give it our general support.

Mr. Johnston (Bow River): I should like to say that we in this group will go along with the second reading on the understanding which the minister gave that the bill will be referred to the committee where we can have a more thorough study of it. From just looking over the map here it seems to me that the price may be rather high per mile of construction. Of course, that is information that we cannot get at the moment. I hope we shall be able to get that information when the bill is before the committee.

Then there is the question of the other smaller line of 33 miles, I think from Mystery lake to Sipiwesk and whether or not the price that the Canadian National Railway Company is going to pay for it would include the rolling stock. Those are all questions that have a bearing on the judgment we shall be able to use when we come into the committee to decide whether or not we shall go along with the proposition as outlined here in the resolution.

Generally speaking, Mr. Chairman, we in this group do not want to delay anything that would lend progress to the development of any part of Canada. It seems to me that the construction of these two lines could add to the development in those areas. If that is so and if the cost is reasonable, I am sure that, all other things considered, we would have no objection to giving our consent to this bill provided, of course, that the information we get in the committee leads us to believe that this is an essential service and that the price is in accordance with ordinary business standards.

Having said that, I think I will leave any further remarks I have to make until we come to the committee stage. Through experience I have found that to be the proper place in which to get the information you desire; and in most cases, when a proposition like this is explained to the committee, I have found that the committee has always been reasonable in granting permission and allowing the construction of such things to proceed.

Mr. Simpson: In rising to speak on this bill that is now before us, I would point out that it is one which includes two distinct measures. It provides for the construction of a rail line between a point called Optic lake on the Cranberry Portage—Lynn lake line on the C.N.R. to Chisel lake in the province of Manitoba and for the purchase from the International Nickel Company of Canada of a line from Sipiwesk on the Hudson bay line to a point near Mystery lake, the new townsite of Thompson. From experience in that area I should like to say that those are two measures that should receive the hearty support of this house.

Hon. members from all parts of this house have shown of late great concern, and rightly

so, as to what government action should be taken with regard to making possible the continuation of various developments closely related to the base metal mining industry in various parts of Canada. It has been quite evident that their concern has been in relation to the employment or unemployment situation, and in this regard I heartily concur. I might say that in both of the cases we are presently considering we have before us a concrete example as to how we can not only assure continued employment for a great number of people over an expected long period of time but can also open the way for untold hundreds to join the ranks of the permanently employed.

The construction of this one line will give immediate employment to many construction workers and at its completion it could easily be a life-saver for a mining town near its extreme end, a town which could quite conceivably soon turn into a ghost town if further development in this area is not continued at the present time. I am referring to the town of Snow Lake at the extreme end of this Chisel lake line. It is a gold mining town and unfortunately has fairly well come to the end of its resources. In that section there are roughly 900 to 1,000 people who have been there for many years. Through hard work and their own labour they have built their homes. Having their homes there now, they consider it to be home. Very fortunately the mines that are going to be served by this Chisel lake branch line are within a very few miles of the town of Snow Lake. The furthest shaft from Snow Lake town would be only eight miles, I would say; and at the present time there is a good highway from this shaft to the town of Snow Lake. Hence the completion of that rail line to Chisel lake is going to mean a great deal to the people in Snow Lake who at the present time are just wondering what is going to happen to the homes into which they have put their entire life savings.

Authorization of the other line is also going to mean a great deal. At the present time at the townsite of Thompson there are approximately 500 construction workers from all parts of Canada. The amazing and gratifying thing about this development is that quite conceivably by 1960 we can expect to have in that area a population of anywhere from 8,000 to 10,000 people. The benefits to all of Canada and to Manitoba in particular are inestimable. It is going to be a great boon to the economy of the entire country. I might say that anybody from that area will heartily endorse this measure which is currently before us.

I might say that I was quite interested in the point brought out by the hon. member for Winnipeg North Centre with regard to the statement by the hon. member for St. Antoine-Westmount. I was not quite sure whether or not I had heard correctly but judging from the answer, apparently I did hear correctly. I might point out that that portion of the line on which Optic lake is a station has been in operation for approximately 25 years. The start of the Chisel lake line at this time will tie in very conveniently with the development work which is going on in that area. At the present time there are two shafts, as I mentioned, in the process of being sunk and the program is to bring them into production at a time between now and 1960. Hence any delay we might have in starting work on the Chisel lake line could seriously affect these people about whom I am concerned at the town of Snow Lake. I would heartily recommend to all hon. members of this house that they endorse this proposition whole-heartedly.

Mr. Mitchell: May I be permitted to say a few words on this resolution, Mr. Chairman, inasmuch as one part of it concerns a company which has its operations in the constituency which I have the honour to represent. International Nickel, or as it is more commonly known in our area, INCO, as you know have their general offices and most of their smelting and mining operations in my constituency. It is common knowledge in our area that considerable activity has been taking place in the Moak lake and Mystery lake areas and a great many of our men have been transferred to those places, particularly those in the higher level salaried positions. We have known for some time that considerable money—which has already been referred to by the member for St. Antoine-Westmount—to the extent of $175 million is expected to be spent by this company in this area.

With this fact in view, it has been intended to try and get out their ore to a smelter as quickly as possible, and as has been suggested here this afternoon, speed was of the essence in this regard. I understand that this line is now in operation and the smelting processes which will soon take place will be able to guarantee operation at a faster pace than would have been the case if they had waited for the building of this line by Canadian National Railways. There is no doubt that this is going to add to the economy of northern Manitoba and, at the same time it is not going to hurt us a great deal in the area from which I come. Considerable after-smelting operations will have to be carried out in our area, particularly the refining of the matt. There will be further opportunities

for the transport companies in the transportation of this matt or unprocessed ore to our area for further development.

The company over these years has felt this is a desirable development and the building of the line, and now the authorization of this committee to be set up following second reading, will repay them for the moneys which they have expended to construct this line. For this reason I certainly have no hesitation in supporting this bill and I feel that I can recommend it to all members of the house.

Mr. McCullough: I shall only take a moment or two in saying that I would like to agree with the members who have already spoken. I am sure every member of this house will agree that we would like to see the promotion of these projects which will bring into exploitation our natural resources. I use the word exploitation rather than just straight development because I think it should be remembered that these resources are non-renewable. When we go into the bowels of the earth and we exploit our mineral resources or our oil resources then, of course, they are not renewable. I would just like to point out that we in this party certainly want to see our resources exploited but exploited for the greatest good to the greatest number of our Canadian people.

Some parts of Canada have ghost towns where the resources have been exploited and I think it has not always been the fact that the return from the exploitation of these resources has gone to our people but rather that it has gone into the profits of the company exploiting them.

I would like to make one further point and that is that if it is true, as the former minister of transport has indicated to the committee this afternoon, that the figures in the resolution today are higher and do not correspond with the former figures for the cost of construction of these two rail lines, then I think it is important that the committee should find out definitely the former assessment of costs for such construction. I want to say that I believe the cost to the Canadian people will be a straight subsidy to the company. I am not of course trying to suggest that we do not want this development for the people of Canada and particularly for the people of Manitoba, but I would like to point out that this is a subsidy to the company, in my opinion, which will mean that they will be able to exploit these resources—

Mr. Marler: A subsidy to which company?

Mr. McCullough: —and the charge for the traffic carried and the use of the railway will, to some extent at least, pay back the expenditure of the Canadian taxpayer. However, as I say, I do support it and I hope we will receive an early report back from the committee and that it will pass the house and there will be exploitation of these great resources in northern Manitoba.

Mr. Hees: Mr. Chairman, there has been some concern regarding the difference between the estimate made before the railway line was started and the actual cost now that it has been completed. I was quite surprised to hear the hon. member for Moose Mountain refer to it as some sort of subsidy and I am not quite sure just what he means—

Mr. McCullough: Mr. Chairman, I was referring to the whole amount. I considered it as a subsidy for the company, not just as a general increase.

Mr. Hees: Well do I take it, Mr. Chairman, that the hon. member means that the $5,400,000 is a subsidy to the company?

Mr. McCullough: In effect, yes.

Mr. Hees: Well, Mr. Chairman, this is the kind of investment which I think railways have always made and have found to be profitable. It is the kind of thing which has been gone into thoroughly by the management of the railway company and, at a cost of $5,400,000, they estimate it is going to be a money-making proposition for the railway and for the country. I fail therefore to follow the hon. member's reasoning that the building of the railway to develop our natural resources is in some way a subsidy to a particular company.

I believe it is participating in the development of this country and I think most of the hon. members of this house believe that this country should be developed. Furthermore, in a country the size of Canada transportation, in my view, must precede development because our distances are so great. Unless you have transportation facilities you simply cannot develop the country.

With respect to what the hon. member for St. Antoine-Wesmount said about the difference between the estimate made early last year and the actual all-in cost, I am afraid I do not have the answer to that at the moment. I have asked my parliamentary assistant to find out from the management of the railway company the reason for this difference. I assume it is the sort of thing which so often happens when an all-in cost turns out to be considerably higher than what the estimate has been, but , as I say, I have asked for the information from the railway company and hope to have it very soon. If it is not available today it will certainly be available for the committee when it meets in the next day or so. I refer, of course, to the committee

on railways, canals and telegraph lines. The officials of the railway companies will be available to answer questions and I hope they will have the explanation for the committee in a very short space of time.

Mr. McCullough: Mr. Chairman, in view of what the minister has said, could he tell the committee how long it would take after these railways are in operation for the cost to be returnable on the operations?

Mr. Hees: The estimate is within 10 years, Mr. Chairman.

Mr. Knowles (Winnipeg North Centre): There is another point which I would like to make, Mr. Chairman, which arises out of the statement made by the hon. member for Sudbury when he reminded us that the head offices of the International Nickel Company are in his constituency.

I realize it is a little out of the field of the Minister of Transport, but there is a suggestion I should like to make to the government, that is that the government should be reminded of what is now being done; that there are a number of instances such as this where natural resources are developed or exploited where wealth is produced in some parts of the country, such as Manitoba, and the head offices are in another province. Perhaps the government will bear this in mind when making federal-provincial fiscal arrangements.

Resolution reported and concurred in.

Mr. Hees thereupon moved for leave to introduce Bill No. 196, respecting the construction of a line of railway by Canadian National Railway Company from Optic lake to Chisel lake, and the purchase by Canadian National Railway Company from the International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood river near Mystery lake, all in the province of Manitoba.

Motion agreed to and bill read the first time.

The Acting Speaker (Mr. Rea): When shall this bill be read a second time?

Some hon. Members: Now.

Mr. Knowles (Winnipeg North Centre): By leave.

Mr. Hees moved the second reading of the bill.

Mr. Marler: I understood that the minister was going to say a word on the bill.

[Mr. Hees.]

Hon. George H. Hees (Minister of Transport): Mr. Speaker, this bill is to authorize the Canadian National, first to construct a 52-mile line of railway, referred to in the bill as branch line No. 1, from Optic lake easterly to Chisel lake at a cost not exceeding $8,840,000 and second, to purchase from the International Nickel Company of Canada a 30-mile line of railway, referred to as branch line No. 2, between Sipiwesk, on the Hudson Bay railway, and a point on the Burntwood river, in the Mystery and Moak lakes area, at a price not to exceed $5,400,000.

With regard to branch line No. 1, substantial ore reserves consisting mainly of zinc and copper, are being developed by the Hudson Bay Mining and Smelting Company in the Chisel lake area. Rail service to move this ore to the mining company's mill at Flin Flon will be required by July 1, 1960. The bill provides for the completion of the line by November 1, 1959, or such later date as the governor in council may approve.

Chisel lake lies about 30 miles north of the Hudson Bay railway and is therefore closer thereto than to the Lynn lake line. However, if a branch line were built from the Hudson Bay railway the distance to be covered to Flin Flon, to which point the ore will be moving, would be 195 miles, whereas, under the present plan, the distance from Chisel lake to Flin Flon will be about 100 miles. The line is to serve primarily the Hudson Bay Mining and Smelting Company, but it will also aid in the development of a substantial area which shows evidence of possessing considerable mineral wealth.

The Canadian National has secured a guarantee of a minimum volume of traffic, under which the mining company has undertaken to ship not less than 350,000 tons of raw ore or in the alternative 70,000 tons of concentrates per annum for a period of ten years. The mining company will pay a penalty on a tonnage basis if shipments in any year fall short of the guaranteed annual tonnage. Any surplus over the guaranteed tonnage accruing in succeeding years would lead to an appropriate refund of penalty by the railway. If, at the end of the ten-year period, an accumulated shortage exists below a total figure of 3,500,000 tons of ore, or 700,000 tons of concentrates, a further period of five years will afford an opportunity for the mining company to recoup the penalties paid. If in any year of this five-year period the mining company ships ore or concentrates in excess of the annual guaranteed tonnage, the railway company will make refunds to the mining

company on a tonnage basis to the extent of such excess, but the total of such refunds is not to exceed the total amount of penalties paid by the mining company.

Branch line No. 2 has been constructed and is being completed as a private project of the nickel company. This was done because of the desire of the nickel company to have rail service available as quickly as possible and, therefore, in advance of the time when parliamentary approval for the construction of the line by the Canadian National could be secured. The nickel company indicated that it would likely take special measures to expedite construction, which would add to the cost of the line. In agreeing to purchase the line, the management of Canadian National made such agreement subject to the condition that the price to be paid to the nickel company would be the costs which the Canadian National would have incurred if the line had been constructed by it in the normal course of events and under a normal construction schedule.

The line will serve principally the new mining developments of the nickel company in the vicinity of the townsite of Thompson and the Mystery-Moak lakes area. These consist of large nickel deposits. The line would also serve the International Nickel processing plant at Thompson, consisting of a mill, a smelter and a refinery, in addition to the townsite itself with a population of 8,000 people. The site of the deposits in the Mystery-Moak lakes area will be linked to Thompson by a private railway owned and operated by the nickel company.

It is expected that the traffic that will result from the establishment of these mines will give the Canadian National earnings sufficient to warrant its purchasing line. There has nevertheless been included in the agreement between the railway and the nickel company a traffic guarantee clause. Under this traffic guarantee, the nickel company has undertaken that the gross tolls received from the traffic to, from and over the branch line will equal in annual value one-tenth of the purchase price of the line in each year for a period of ten years. The agreement provides that if the gross tolls do not meet this guarantee, the nickel company will provide 20 per cent of the difference to the railway company. If, at the end of the ten-year period, the nickel company has paid to the railway company any money under the traffic guarantee clause, the nickel company has a period of five years to recoup the money so paid. During this period of five years, the nickel company will not be under any obligation to the railway company respecting a traffic guarantee, but if in any year for a period of five years the gross tolls received by the railway company exceed in amount one-tenth of the cost of the line the railway company will make refunds to the nickel company to the extent of 20 per cent on each such excess. Refunds to be made by the nickel company to the railway company, if any, during the five-year period are not to exceed the amount of any deficiencies paid to the railway company by the nickel company during the ten-year period to which reference has been made.

The line was sufficiently constructed in October, 1957, to be ready for operation and the nickel company requested that the railway inaugurate service immediately. A temporary lease arrangement was therefore made between the Canadian National and the nickel company under which the Canadian National undertook to operate the line at a rental equivalent to 4¼ per cent interest on the capital sum invested by the nickel company in the construction of the line under a normal construction schedule. This arrangement was approved by the order in council P.C.1957-1356, dated October 9, 1957, and was subject to the issue of an order of the board of transport commissioners under section 279 of the Railway Act for opening the railway for traffic. Such an order was issued on October 17, 1957, and a spike-driving ceremony took place on Sunday, October 20. The line has since been operated by Canadian National under the lease arrangement just referred to.

As I indicated when the resolution was before the house, it is my intention when the bill has been given second reading to move that it be referred for consideration to the committee on railways, canals and telegraph lines.

Mr. Knowles (Winnipeg North Centre): Before the minister sits down I wonder if he would answer a couple of questions? He has referred to these agreements between the railway company on one hand and the International Nickel Company and the Hudson Bay Mining and Smelting Company on the other hand. I noticed no reference to those agreements in the bill. Can he tell us the status of those agreements? Will copies of them be tabled for the records of parliament and brought before the committee? What comment has he to make on that aspect of the matter?

Mr. Hees: I am not too familiar with these things, Mr. Speaker, but as I understand the agreements they are pretty straightforward and I think there will be no difficulty in bringing them before the committee if the

hon. member so wishes. They appeared to me to be very straightforward agreements with no complications in them.

Mr. Knowles (Winnipeg North Centre): I did not raise any question as to their straightforwardness but it seems to me since parliament is being asked to pass the legislation with a knowledge of these agreements that copies of them should be included in the records of parliament in some way. Perhaps the minister could look into the matter of having them tabled.

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker I will not take more than a minute to say what I have to say about the bill. I do not think the hon. member for Winnipeg North Centre (Mr. Knowles) is quite correct in suggesting that the practice has been to table these traffic guarantees when bills of this kind have been discussed in parliament though I think the substance of those agreements has generally been communicated to the committee when it looked into the possibility of making the investment which is in effect authorized by the bill.

I have had the opportunity of looking at this bill and I have found no very significant departure from the form in which these bills customarily are drafted. I can see no objection to the bill and I am quite prepared to support the adoption of second reading still with the reservations I made earlier with regard to the costs. I would not wish to create or leave on the record the impression that I believe the difference in cost between the purchase price as represented earlier this year and that provided for in the bill is not susceptible to justification. I am sure there is an explanation for it and I feel quite satisfied the management will give us that explanation when the matter is considered in committee.

So far as the bill itself is concerned the standard clauses are embodied which provide for competitive bids and for the issuing of bonds in the usual terms. I would like to point out to hon. members of the house that there is not in any sense of the word a subsidy by the government for the construction of these two branch lines. In effect the purpose of the bill is to authorize the Canadian National Railways to use capital funds of its own for the purpose of developing these two branch lines and there is no question of subsidy which implies that part of the cost would not be subject to reimbursement by the Canadian National Railways if the company felt obliged to borrow from the government in order to obtain the funds necessary for these two developments. I consider that the matter is a purely routine question of building two branch lines and I think we should not hestitate to adopt the bill.

Mr. McCullough: Mr. Speaker, could the minister say if these branch lines are strictly for the development of the ore deposits and do not represent an opening up for any other type of development road?

Mr. Hees: Mr. Speaker, there is believed to be considerable additional mineral wealth in these areas and of course these branch lines will be available for transporting any additional ores that are discovered. Both companies hope and expect to develop considerably more mineral wealth than has already been discovered and of course these lines will profit by transporting those ores in the future if such ores are in fact discovered.

(Translation):

Mr. Gerard Legare (Rimouski). Mr. Speaker, having read the resolution and the bill now before us, I was struck by the similarity between the measure now introduced and the previous request for the construction of a railway line on the north shore of the Gaspe peninsula.

The bill would authorize the Canadian National Railways to construct a 52-mile branch line in Manitoba, whereas the proposed Gaspe line would be 55 miles long, extending from Matane to Ste. Anne des Monts.

Also provided for in the bill is the purchase of a 30-mile branch line, whereas, in Gaspé, the railway would have to buy the line operated by the Canada and Gulf Terminal Railway less than 35-miles long, extending from Mont Joli to Matane.

This particular line begins at Mont Joli, in my constituency. It will be realized that the extension of this line in the Gaspe peninsula would be of great benefit to everybody in the district and would materially bolster the economy of the whole eastern Quebec area. Mont Joli has already been adversely affected by lay-offs of railway workers, and the extension of this line would be especially beneficial to the people in this area.

I feel I must say a word here of the efforts which have been made on behalf of the construction of a Gaspe railway line by the former member for Gaspe, Mr. Leopold Langlois and his colleagues from that part of the country.

I have no doubt that the government will bring to this matter the attention it deserves, and because conditions in the peninsula have changed, I trust the government will favourably consider the request, which has again been made to it, for an extension of the line

from Ste. Anne des Monts, to serve the north shore of the Gaspe peninsula.

(*Text*):

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 27, respecting the Bell Telephone Company of Canada.—Mr. Rea.

ALASKA-YUKON PIPELINES LTD.

Mr. Gordon Chown (Winnipeg South) moved the second reading of Bill No. 102, respecting Alaska-Yukon Pipelines Ltd.

He said: Mr. Speaker, this bill in its original form was passed by the Senate and the House of Commons during the first session of 1957. If hon. members will look at the bill I can point to the amendment which was recommended by the board of transport commissioners in order to provide the company with the capacity to operate in Alaska as well as in the Yukon. The explanatory note about halfway through the first paragraph in the first bill contains these words:

> Provided that the main pipe line or lines for the transmission and transportation of gas and oil shall be located entirely within Canada.

If hon. members will look at the amending paragraph in the body of the bill they will see that the only words that have been added to provide for the operation of this company in Alaska as well as in the Yukon appear early in the paragraph and are "north of the fifty-eighth parallel." When the original bill was first considered by the standing committee on railways, canals and telegraph lines the hon. member for Kootenay West (Mr. Herridge) asked a question with respect to whether or not the people of the Yukon supported the idea of this company and received the reply from Mr. Simmons, the general counsel who appeared on behalf of the company at that time, that the people were very much in favour of the company commencing operations in their area because it meant that they would be provided with cheaper fuel. The matter then proceeded to the board of transport commissioners from the committee in January, 1957, with the result that the board recommended that the amendment I have described to the house should be made before the company was allowed to commence operations. That was the sum and substance of their ruling. In their conclusions I find the following:

> We are of the opinion and so find that the proposed line from Haines to Haines Junction is not two lines but one line, and that it is in reality to be a main line of the applicant although the portion of it in Alaska is proposed to be constructed and owned and possibly also operated by the applicant's wholly-owned Alaskan subsidiary.
>
> The proviso in section 6 of the applicant's special act has already been set forth and for convenience is repeated here as follows:
>
> "Provided that the main pipe line or lines for the transmission and transportation of gas and oil shall be located entirely within Canada."
>
> It may be that the proviso is not appropriate for a company one of whose principal objects is to have a pipe line for transportation of oil products into Canada from the Alaskan seacoast. It may also be that the effect of the proviso is not what the sponsors of the applicant intended. However, we must have regard to the proviso, and give effect to the intention of parliament as disclosed by the language selected for the expression of that intention.
>
> Having regard to the proviso we do not consider that we should grant leave to the applicant to construct the line described in the application when, as we view it, that line is to be a portion of a main line of the applicant from Haines to Haines Junction and the construction of such main line, which is not to be entirely within Canada, is not within the applicant's powers.

I should also like to take the liberty of quoting finally from the second to last paragraph of the findings of the board of transport commissioners as follows:

> We are not finding, and it should not be inferred that we are finding, that the existence of the White Pass Railway or the pipe line from Skagway to White Horse will, regardless of their transportation charges, be a bar to the granting of leave to the applicant or any other applicant to construct a pipe line to serve the Yukon, although, of course, the presence of an existing railway or pipe line or other transportation facility may affect the throughput that an additional pipe line may be able to attract. The public interest of the people in the Yukon will be a major consideration, and transportation charges will be a factor that we will consider in determining any application for leave to construct a pipe line to serve the Yukon.

This pipe line, Mr. Speaker, starts at Haines, runs to Haines Junction and of necessity must pass through a portion of Alaska and the Yukon. Although the bill was prepared to conform with the requisitions recommended at the time it was drafted, it was actually after consideration by the standing committee on railways, canals and telegraph lines that it was reviewed by the board of transport commissioners and the recommendation for the amendment I have described to the house was made by them.

If the bill is given second reading today it will, of course, be referred to the same standing committee where questions can be asked of the general counsel who will appear before the committee. There will be a second check as to whether or not the application should be granted at all and perhaps an even more thorough check will be made when the measure is sent on to the board of transport commissioners for consideration. In view of the fact that these checks will be made, that

the bill was already passed once by the Senate and the House of Commons and that the amendment is only to correct a technicality, I believe the bill should be given second reading by the house today.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like first of all to congratulate the hon. member, who is a new member, upon what I think is his first experience in this house with a private bill. I believe I am right in that. I am in the embarrassing position of having to draw his attention, and the attention of the house, to what I consider to be one or two inadvertences he committed in his statement. I feel they are only inadvertences, but I think they should be corrected for the purpose of the record.

I might say that I am familiar with this bill for the reason that when the company concerned, Alaska-Yukon Pipelines Limited, made their application to the board of transport commissioners for leave to construct a pipe line from Haines to Haines Junction, I appeared as counsel opposing that application. I therefore acquired at least some knowledge of what the application was about. It leaves me also in the position where I was interested in the bill, and for that reason I will refrain from voting in the house or making any motions in the house concerning the bill.

I feel I should draw to the attention of hon. members one or two matters. In moving the bill the hon. member for Winnipeg South (Mr. Chown) I believe referred to Mr. Simmons as general counsel for the applicant company. The Mr. Simmons referred to was the hon. member for Yukon and was one of our colleagues in the house at that time. He was not, so far as I know, at any time ever counsel for the company, and certainly he was not at that time when the bill passed.

Mr. Chown: I am sorry, I meant Mr. Porteous.

Mr. McIlraith: Application was made to the board of transport commissioners, not having to do with the bill itself or whether or not the bill should become law, but under the Pipe Line Act for leave to construct a pipe line from Haines to Haines Junction, some 159 miles, part of that distance being in Alaska and part in the Yukon. The board of transport commissioners delivered a quite lengthy judgment containing some 14 pages. Part of that judgment has been referred to here.

I feel that hon. members would do well to read that judgment because the quotation of part of it, as always happens when you quote only part of any document, left an incomplete picture of what the application was about. The proviso in the original act is not a mere technicality. It is a proviso put in because the parliament of Canada, rightly or wrongly, believed it should be put in. It went to the very root of the power of the company and to its capacity to act outside of the country. It is not correct, by any means, to refer to it as a technicality. It is something that is basic in the act of incorporation. Whether or not that should be changed now is, of course, another matter and is for the judgment of parliament.

In the judgment itself the board of transport commissioners dealt with the merits of the application and after dealing with the part referred to by the hon. member went on to say:

> In case we have erred in the foregoing conclusion we will also deal with the application as if the Alaskan portion of the proposed line should not be treated as part of the applicant's main line.

Then follow several paragraphs dealing with the application on its merits and dealing point by point with the usual criteria considered by the board in such cases. I can only suggest, then, Mr. Speaker, that hon. members would do well to acquaint themselves with the judgment of the board of transport commissioners for Canada, and with the evidence given at that hearing, before finally passing on whether or not this application should be granted.

Mr. Fisher: I just wanted to ask the hon. member who introduced the bill whether or not the judgment would be available to us in the committee so we can examine it?

Mr. Speaker: If this procedure of asking the hon. member who introduced the bill to speak again is followed, he will close the debate. Is that agreeable?

Hon. Jean Lesage (Montmagny-L'Islet): When this bill goes to the committee, I would appreciate it, since I am not a member of the committee, if the following question were examined. There is on the order paper, standing in my name, a question of the Minister of Northern Affairs and National Resources (Mr. Hamilton) as to the disposition of the 2-inch, 3-inch and 4-inch pipe lines now existing in the Yukon and which might be affected by this bill. I think that properly this question should be dealt with by officers of the Department of Northern Affairs and National Resources in the committee.

Mr. Speaker: Perhaps the hon. member would now like to answer the question which was asked as there appears to be no one else who desires to speak.

Mr. Chown: I shall be happy to see, to the best of my ability, that the evidence for which the hon. gentleman asked is before the

members of the committee to whom this bill will be referred. I am sure that the general counsel of the company will welcome any questions that have been raised as a result of the judgment delivered by the board of transport commissioners, and which have been raised by the other hon. member who spoke.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

Mr. Speaker: I note that items 37 to 124 on the order paper are divorce bills, Nos. 103 to 168 inclusive and Nos. 172 to 193 inclusive. Is the house in unanimous agreement that these bills may be read a second time all together?

Mr. Knowles (Winnipeg North Centre): Under protest.

Some hon. Members: Agreed.

SECOND READINGS—SENATE BILLS

Bill No. 103, for the relief of Marguerite Downie Malo.—Mr. Rea.

Bill No. 104, for the relief of Irene Patricia Heffernan Brown.—Mr. Rea.

Bill No. 105, for the relief of Catherine Ann Naylor Couture.—Mr. Rea.

Bill No. 106, for the relief of Antonio Bucci.—Mr. Rea.

Bill No. 107, for the relief of Maurice Robert.—Mr. Rea.

Bill No. 108, for the relief of Frances Dorothy Denenberg Bloomfield.—Mr. Rea.

Bill No. 109, for the relief of Theodore Elbert Holtham.—Mr. Rea.

Bill No. 110, for the relief of Claude Murray Kirk.—Mr. Rea.

Bill No. 111, for the relief of John Alfred Crease.—Mr. Rea.

Bill No. 112, for the relief of Catherine Rita Marian Laker.—Mr. Rea.

Bill No. 113, for the relief of Jacqueline Marchand Cote.—Mr. Rea.

Bill No. 114, for the relief of Pola Baron Brisebois.—Mr. Rea.

Bill No. 115, for the relief of Graziella Bernier Murray.—Mr. Rea.

Bill No. 116, for the relief of Claus Elstorpff.—Mr. Rea.

Bill No. 117, for the relief of Denis LeBlanc. —Mr. Rea.

Bill No. 118, for the relief of Patricia Mary Gorman Walsh.—Mr. Rea.

Bill No. 119, for the relief of Madeline Audrey Booth Hibbard.—Mr. Rea.

Private Bills

Bill No. 120, for the relief of Lily Sklar Titleman.—Mr. Rea.

Bill No. 121, for the relief of Alice Florence Chaisson Boychuk.—Mr. Rea.

Bill No. 122, for the relief of Cecile Chagnon Tremblay.—Mr. Rea.

Bill No. 123, for the relief of Roger Albert Bersier.—Mr. Rea.

Bill No. 124, for the relief of Herman Rayvals.—Mr. Rea.

Bill No. 125, for the relief of Helen Frances Knight Koomas.—Mr. Rea.

Bill No. 126, for the relief of Marie Cecile Philomene Gilberte Pregent Bouchard. —Mr. Rea.

Bill No. 127, for the relief of Joyce Eugenie Swanburg Millette.—Mr. Rea.

Bill No. 128, for the relief of Evelyn Mahaffy Major.—Mr. Rea.

Bill No. 129, for the relief of Ruth Mary Ledden Wallace.—Mr. Rea.

Bill No. 130, for the relief of Catherine Lammie Graham McLean.—Mr. Rea.

Bill No. 131, for the relief of Irene Tinkoff Goldmann.—Mr. Rea.

Bill No. 132, for the relief of Joseph Fishman.—Mr. Rea.

Bill No. 133, for the relief of Lucille Therrien Deguise.—Mr. Rea.

Bill No. 134, for the relief of Doris Rose May Cook Thomas.—Mr. Rea.

Bill No. 135, for the relief of Olive Clara Benson Pitman.—Mr. Rea.

Bill No. 136, for the relief of Mildred Irene Mitchell Gauthier.—Mr. Rea.

Bill No. 137, for the relief of Laurette Racine Pollender.—Mr. Rea.

Bill No. 138, for the relief of George Wilkinson Pridmore.—Mr. Rea.

Bill No. 139, for the relief of Kathleen Mary Hicks Rainville.—Mr. Rea.

Bill No. 140, for the relief of Violet June Bockus Good.—Mr. Rea.

Bill No. 141, for the relief of Ethel Rappaport Lomon.—Mr. Rea.

Bill No. 142, for the relief of William Newell.—Mr. Rea.

Bill No. 143, for the relief of Sally Ruth Pall Gold.—Mr. Rea.

Bill No. 144, for the relief of Nicholas Vlahos.—Mr. Rea.

Bill No. 145, for the relief of Stefan Weber. —Mr. Rea.

Bill No. 146, for the relief of Mary Russell Leclaire.—Mr. Rea.

Bill No. 147, for the relief of Joseph Roland Langevin.—Mr. Rea.

Private Bills

Bill No. 148, for the relief of Eileen Hannah Thomson Scott.—Mr. Rea.

Bill No. 149, for the relief of Miriam Jurist Stern.—Mr. Rea.

Bill No. 150, for the relief of Bernice Edith Knights Blake.—Mr. Rea.

Bill No. 151, for the relief of Michael Francis McTigue.—Mr. Rea.

Bill No. 152, for the relief of Zygmunt Habdank Bielinski.—Mr. Rea.

Bill No. 153, for the relief of Daphne Louisa Ruby Burrows Newland.—Mr. Rea.

Bill No. 154, for the relief of Reine Isabel Charles Bisson.—Mr. Rea.

Bill No. 155, for the relief of Elizabeth Cave Collyer DuBoyce.—Mr. Rea.

Bill No. 156, for the relief of Elvi Russak Urb.—Mr. Rea.

Bill No. 157, for the relief of Norma Rose Cohen Freeman.—Mr. Rea.

Bill No. 158, for the relief of Shirley Janet Whitton Ladds.—Mr. Rea.

Bill No. 159, for the relief of Venise Gosselin Hotte.—Mr. Rea.

Bill No. 160, for the relief of Bertha Wexler Azeman.—Mr. Rea.

Bill No. 161, for the relief of Emilia Shutko Suranow.—Mr. Rea.

Bill No. 162, for the relief of Amy Isabel Wonham Saunderson.—Mr. Rea.

Bill No. 163, for the relief of Marie Anna Eliza Labrecque Ladouceur.—Mr. Rea.

Bill No. 164, for the relief of Donald Stewart Walker.—Mr. Rea.

Bill No. 165, for the relief of John Joseph Sebaski.—Mr. Rea.

Bill No. 166, for the relief of Gwen Horne Segal.—Mr. Rea.

Bill No. 167, for the relief of Gwendolyn Alice Wilson Hermann.—Mr. Rea.

Bill No. 168, for the relief of Agnes Traiton Rathburn.—Mr. Rea.

Bill No. 172, for the relief of Loueisa Knutton Roberge.—Mr. Rea.

Bill No. 173, for the relief of Dorothy Miriam Skinner Stuckey.—Mr. Rea.

Bill No. 174, for the relief of Albert Renaud. —Mr. Rea.

Bill No. 175, for the relief of David St. Clair Wilson.—Mr. Rea.

Bill No. 176, for the relief of Omer Arthur Menard.—Mr. Rea.

Bill No. 177, for the relief of Dorothy Nettie Clarke Hay.—Mr. Rea.

Bill No. 178, for the relief of Frederick William Hovermann.—Mr. Rea.

[Mr. Knowles (Winnipeg North Centre).]

Bill No. 179, for the relief of Bertha Viola Beatrice Good Malcolm.—Mr. Rea.

Bill No. 180, for the relief of Mabel Florence Adams Hadden.—Mr. Rea.

Bill No. 181, for the relief of Ernest Frank Cross.—Mr. Rea.

Bill No. 182, for the relief of Marie Marthe Moreau Roy.—Mr. Rea.

Bill No. 183, for the relief of Pierrette Picard Gagnon.—Mr. Rea.

Bill No. 184, for the relief of Marcelle Richard Deschambault.—Mr. Rea.

Bill No. 185, for the relief of Florence Irene Burness Williams.—Mr. Rea.

Bill No. 186, for the relief of Jean Paul Pelletier.—Mr. Rea.

Bill No. 187, for the relief of Mildred Mabel Desmarais Demers Joly.—Mr. Rea.

Bill No. 188, for the relief of Leonne Liane Andree Belanger Botham.—Mr. Rea.

Bill No. 189, for the relief of Shirley Alma Lawson Wilson.—Mr. Rea.

Bill No. 190, for the relief of Sarah Yampolsky Pinsky.—Mr. Rea.

Bill No. 191, for the relief of Karina Mercs Bunte.—Mr. Rea.

Bill No. 192, for the relief of William Garnet Mills.—Mr. Rea.

Bill No. 193, for the relief of Violet Pitman Proulx.—Mr. Rea.

ST. MARY'S RIVER BRIDGE COMPANY

Mr. G. E. Nixon (Algoma West) moved the second reading of Bill No. 195, respecting St. Mary's River Bridge Company.

Some hon. Members: Explain.

Mr. Nixon: Mr. Speaker, the St. Mary's River Bridge Company was incorporated by an act of the parliament of Canada passed on May 4, 1955. The act authorized the company to construct, maintain and operate a bridge or tunnel across or under the St. Mary's river at or near the city of Sault Ste. Marie, Ontario. Section 18 of the act provided that if approval of the governor in council to the bridge or tunnel had not been obtained within three years of the passing of the act, the powers granted for the construction would cease and be null and void. The purpose of the bill now before the house is to amend that section to grant an extension by a further three years to obtain such approval.

Mr. Bell (Carleton): Before the hon. gentleman sits down, would he tell the house whether legislation has already been passed in the state of Michigan and has been concurred in by the Congress of the United States.

Mr. Nixon: All I can say, Mr. Speaker, is that they are working on it.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

FINANCIAL ADMINISTRATION ACT

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

Mr. Raoul Poulin (Beauce) moved the second reading of Bill No. 9, to amend the Financial Administration Act.

He said: Mr. Speaker, I shall only briefly set out the reasons why Bill No. 9 should be introduced for second reading. This bill requires that all cheques and other negotiable instruments issued by the federal government be printed in the two official languages of this country. It will be noted that my proposal is strictly limited to the federal government and such bodies as are dependent upon it, and has nothing to do with provincial governments or private concerns or individuals.

Since this is the third time that I introduce this bill I would ask, with all due respect, that the house be given the time necessary and the opportunity to vote.

I do wish to point out that very few people in Canada at this time would care to deny the French language equal status with the English language. In this house even, there are a large number of English speaking members who find pleasure in expressing themselves in French occasionally,—

Mr. Knowles (Winnipeg North Centre): Très bien.

Mr. Poulin:—in a rather halting fashion sometimes, just as I do myself when I speak English.

An hon. Member: Your English is excellent.

Mr. Poulin: From this we must conclude that there exists a feeling of good will, sympathy and generosity which I prize highly and which deserves, I feel, congratulations and thanks. It is in fact to this spirit of good will that I appeal at this time. I should like a further step to be taken in the right direction, in the direction of understanding, fellowship and unity between the races. I would ask the English speaking majority in this country to realize that in the province of Quebec we act with generosity towards the English speaking element in that province. We go far beyond the limits ascribed by the constitution; in fact we go much beyond its very spirit. Not for a moment would I believe that our English speaking fellow citizens would refuse to grant to 30 per cent of the Canadian people what is so readily granted by French Canadians to 15 per cent or 16 per cent of the people of Quebec.

The Minister of Finance (Mr. Fleming) who is more particularly concerned with this matter will certainly not oppose this measure. How could he? He has shown the greatest sympathy for the French speaking people in Canada and has received in return unmistakable evidence of the esteem in which he is held by the latter. He speaks French very well and has even been honoured with a decoration given by the "Société du bon parler français".

The Prime Minister (Mr. Diefenbaker) is making creditable efforts to broaden his already good knowledge of French, something for which I commend him. He will no doubt be the last in this house to refuse the French element of this country the recognition of one of its rights. Besides, he must realize that he is the political leader of a bilingual country comprising the two racial elements with equal rights. Was it not one of the members of his cabinet, namely the Solicitor General (Mr. Balcer) who, on August 16 last, stated in Edmonton—and I am quoting from the newspaper *Le Devoir* of August 17, 1957—as follows:

> We are not just a minority but, in reality, English speaking and French speaking Canadians are here as partners.

In my opinion, it is reasonable that partners be treated with equality and I have no doubt that the Solicitor General will endeavour to bring all his colleagues from the ten provinces to support my bill.

Need I add that there are precedents justifying the adoption of this bill? There are bilingual currency and postal stamps. I do not think that these two first steps to foster good understanding between the two great races of this country have caused any disturbance in Canada or any wrong to a single Canadian citizen. Why would it be otherwise with the measure I am proposing today?

Mr. Speaker, it was intentionally that in the course of my remarks I left aside any argument of a judicial or authoritative nature in order to confine myself to an appeal to reason. As a matter of fact, I am convinced that if, in principle, the judicial statute of our country guarantees the respect of the rights of each of the two racial groups, in practice it is in consideration of good judgment on the part of people of good will that both these racial groups will permit to all the full enjoyment of those rights.

(*Translation*):

Mr. Speaker, I thought I should make my remarks in English, at this time when the house is considering the bill I have just introduced, so as to show a modicum of sincerity by personally practising what I have been preaching.

Mr. Benoit Chabot (Kamouraska): Mr. Speaker, having seconded my good friend from Beauce (Mr. Poulin), I am pleased to say a few words in support of this proposed legislation.

This is the third time that the bill on bilingual cheques, introduced by my hon. friend from Beauce has been submitted to the approval of the house. While the adoption of such a measure would prejudice no one in this country, it would be an act of justice towards one third of its people, whose language is French, it would help strengthen national unity, and would favour better understanding between the two great races in Canada.

By reason of our geographic situation, we are forced to absorb, willy-nilly, the American way of life as pictured to us by TV, the radio, newspapers, tourists, and by business carried on in the language of two thirds of the people of Canada.

May I say, Mr. Speaker, that the traditions, the religion and the language of the French-Canadian people of this country constitute obstacles to American assimilation which, by the very nature of things, would otherwise be quite unavoidable.

The adoption of my hon. friend's bill would be a further step towards unity between two great races that make Canada a great and unique country, and, at the same time, it would be a guarantee of survival.

The recognized equality of the two great races would seem to demand the adoption of such a measure, and I hope that all hon. members from both sides of the house will make it a point of honour to see that, from now on, all cheques issued by the government, anywhere in Canada, be printed in the two official languages.

Mr. M. W. Martin (Timmins): Mr. Speaker, in considering this resolution, two points strike my attention. First, what is its objective and how can it be reached?

The first and main objective, in the minds of the hon. members of the house, is and should be complete national unity. Now I honestly believe that the best way to reach that goal is to follow the dictates of plain common sense.

All racial or religious differences which I have observed in this country, or anywhere in the world, are due to two causes. First, they are often prompted and exploited by unscrupulous politicians, or other scoundrels, for their personal benefit or gain; secondly, they may be the by-products of ignorance, lack of understanding or intolerance.

It is so easy, after all, for people to believe the slanders and calumnies about others whom they do not know. That is why, unfortunately, some people take advantage of that human failing to spread suspicions which, in some cases, have proved ineradicable.

I remember that, as a youth, when I was living in the county of Compton, province of Quebec, just two miles from our English village of Gold, there was a French village by the name of Sainte-Marguerite de Linwick. At that time there was no kind of social contact or fraternization between us. The Blains, the Lapointes or the Rousseaus gathered around the wood-stove in the general store of Sainte-Marguerite and talked about the Scotch, while the MacCaskills, the MacKays, or the Morrisons were doing likewise at Gould, about the Frenchies. But let some disaster happen, as when fire destroyed Joseph Blain's barn together with all his crops and livestock, or when a cyclone flattened the house of Murdo McLeod, then everybody, French or English, turned up at the bee and pitched in not only in rebuilding destroyed property but in donating a cow, a pig, a load of hay, or furniture. When the bee was finished,—always climaxed by a dance—not only were the buildings up again but they were well furnished.

How amazing it was to sense that surge of friendship spreading from village to village for a few months, everyone realizing that people he had looked down upon until then were, after all, no worse than himself, nor different!

But, alas, in less than six months, the old situation emerged again, until some new disaster again revived the fellow-feeling.

Was that not in itself a tragedy, this situation where fundamentally kind-hearted and generous people failed to appreciate one another or to get together except when visited by some calamity.

It strikingly shows the magnitude and importance of the task facing us if we really want to promote understanding and mutual respect among all the Canadians scattered throughout our great and wonderful country.

Another example which comes to my mind happened in 1942 when I had the privilege of serving in a French-Canadian regiment, the St. Lawrence Fusiliers. Only six of us in the whole unit could speak English and yet never,

in all my five years in the army, was I made to feel so welcome, nor was I so well treated, as during those three months I passed with French-speaking comrades.

As I said at the outset, it is easy to accept as the truth the gossip we hear about people we do not know, but once we have learned to know one another, we realize that those seeds of discord are sown in the mind of Canadians for the sole purpose of creating disunity, by greedy opportunists who have no other concern but their own advantage and profit.

In fact, Canada is made up not only of two but of many nationalities, each of which contributes to our national culture and heritage. However, Canada recognizes two official languages, those of the two main groups which make up its population. This must be understood if we wish to work together toward national unity, remembering that privileges granted to one group can in no way detract from the prerogatives enjoyed by the others.

Mr. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I am happy to support the hon. member for Beauce (Mr. Poulin) in a matter as serious and significant as that of bilingual cheques in this country. I commend him for the persistence he has shown in the past years when submitting this bill, for without his well-known tenacity, he would certainly have dropped the matter and it would have been automatically shelved.

As a French Canadian, I fully agree with the hon. member for Beauce, and I am happy to ask all hon. representatives to give this matter all the attention it deserves. To my mind, a gesture such as this would be tangible proof of every member's wish to see the highest degree of national unity established in this country, and we should therefore vote in favour of the legislation moved by the hon. member for Beauce.

I take this opportunity to remind the house that the first French bank-note in Canada was printed under a Conservative government—

Mr. Habel: But is wasn't a bilingual one!

Mr. Lesage: No, a unilingual one.

Mr. Ricard: I was not talking about bilingual bank-notes; I said that the first bank-note printed in French had been issued under a Conservative government.

Mr. Lesage: Bilingual currency was instituted by the Liberal party.

Mr. Ricard: That may be so, but it does not change the fact that the first French words to appear on Canadian bank-notes did appear under a Conservative government, and I am pleased to recall that fact. Indeed, it would not surprise me at all if the first Canadian government cheques labelled in French and in English were issued under a Conservative government.

Mr. Poulin: You have an excellent opportunity to do it today.

Mr. Neree Arsenault (Bonaventure): Mr. Speaker, it is a pleasure for me to add a few remarks about this bill. I wish to congratulate my friend, the hon. member for Beauce (Mr. Poulin), for his steadfastness and his patriotism in again submitting this bill.

French-Canadians must always do what is humanly possible to deserve the respect to which they are entitled from English-speaking Canadians. If we obtain bilingual cheques, it will be another step towards the achievement of Canadian unity.

In such a field, I can mention the example of the association of forestry engineers of the province of Quebec which requires that foreign forestry engineers wishing to practise their profession in our province, write a thesis in a language other than their own; the purpose of this is to establish better relations between workers or employees and those who are called upon to direct them.

It is only by struggling for the rights of French or of English, either by insisting on their use in charters or, as in this case, by requesting that cheques issued by the Canadian government be bilingual, that we will succeed in obtaining respect for the two official languages of this country and national unity.

Mr. M. J. A. Lambert (Edmonton West): Mr. Speaker, in the first place, I wish to congratulate the hon. member for Beauce (Mr. Poulin) on his tenacity in again introducing his bill concerning the issuing in Canada of travellers' cheques, postal money orders, cheques, drafts and other negotiable effects in the two official languages of this country.

Mr. Speaker, since we already have bilingual bank notes, why could our cheques not be bilingual too, as well as our postal notes and all other negotiable effects mentioned by the hon. member for Beauce in his bill?

The other day, on the occasion of my first speech in this house, I spoke of the value of bilingualism to this country. As a French Canadian from the west, this matter is as close to my heart as to that of the members of the province of Quebec.

I might say at this point that it would be well to remember the words spoken by the Solicitor General, as quoted by the member for Beauce. I happened to be present at this banquet of the ACELF at Edmonton, last August. I must say that the words spoken by the Solicitor General were extremely well received.

In any event, I am of the opinion that we should recommend to the house that all negotiable effects concerned in the proposed legislation be printed both in French and in English, as soon as possible.

(Text):

Now, Mr. Speaker, I feel we have not heard much in English about the purport of this bill which has been before the house on a number of occasions and, frankly, I must, as I have done in French a few moments ago, compliment the hon. member for Beauce (Mr. Poulin) on his determination in bringing forward this measure.

I see no objection to it. It is merely an administrative procedure. Representations have been made latterly with respect to it by a number of people from the province of Quebec who have spoken on the subject with great sincerity. A number of speeches have been made here this session by English and French speaking members about the value of the unity of both Canadian cultures, yet though we have our money printed both in English and in French, as issued by the Bank of Canada, it has not yet been possible, apparently, to have our cheques, bills of exchange, postal notes and other documents as referred to in the bill printed in English and in French.

It is quite a simple procedure and certainly it is not against the spirit or the letter of the Bills of Exchange Act. I would say we should give it most serious consideration. However, there is one thing I would like to point out. I have not heard anybody on the other side of the house speak to this bill.

Mr. Dumas: We want to vote on it.

Mr. Lesage: You are killing the bill.

Mr. Cardiff: You stirred up something over there.

Mr. Lambert: I would like to hear hon. members opposite say something about this bill.

Some hon. Members: Vote.

Mr. Lambert: Perhaps they would like to express themselves the way I have expressed myself.

Mr. Lesage: Go ahead and kill it.

Mr. Hees: You did not want to vote in the old days.

Some hon. Members: Question.

Mr. Hees: You always talked them out. We always wanted to vote in the old days.

Mr. Knowles (Winnipeg North Centre): Tell us about the Eskimos.

Mr. Hees: You fellows used to kill the bills every time. We always wanted to vote in the old days.

Mr. Lesage: We did not kill the bills, you did.

Mr. Hees: We are very democratic; we like to hear everybody speak.

Mr. Lambert: Mr. Speaker, I meant my remarks in all sincerity. I would like to hear from some hon. members opposite.

Mr. Dumas: Just sit down and you will see how we vote.

Mr. Lambert: I would like to hear from an hon. member who has not previously spoken in this house and learn what he thinks about the bill.

(Translation):

Mr. Speaker, I would like to know the opinion held on this matter by the new members of the province of Quebec and the other provinces who sit on the far side of the house.

Some hon. Members: Sit down and you will be told.

Other hon. Members: Sit down!

Mr. Lambert: Mr. Speaker, those few remarks of mine were meant to indicate my support of the principle of this bill.

(Text):

Mr. Raymond O'Hurley (Lotbiniere): Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Hees: We have a lot of great speakers over here. We all like to talk.

Mr. O'Hurley: Mr. Speaker, I hear a lot of noise from the other side of the house but I know they are my good friends. As I have already said in this house I do not want any of my remarks to be taken as an injury by any hon. member from Quebec or elsewhere who might not share the same political opinion I hold.

I read with great pleasure the bill presented here by the hon. member for Beauce (Mr. Poulin) asking for bilingual cheques all across Canada. The bill and the remarks he made in presenting it were timely as they

were in the two previous years. If the information that has been given me is correct the hon. gentleman presented a similar resolution during the winter session of 1957 and also in 1956.

In a cosmopolitan country like Canada bilingualism is fully recognized today. On the other hand, there is a certain schooling, if I might use that word, which must be undergone by people throughout the country to ensure that even a 100 per cent English speaking community does not neglect and forget that bilingualism exists in this nation. I take pleasure in announcing in the house that although I am of English speaking origin probably 99 per cent of my constituents are of French speaking origin. They have admirably demonstrated to people in Canada the fact that they do not hold against any person the language he speaks and have proven that it is possible in a free country for two great racial groups to live side by side in harmonious co-operation. They are completely bilingual in their thinking.

Mr. Dumas: Question.

Mr. O'Hurley: A bill of this kind could be enacted only with the unanimity of the house.

Mr. Lesage: Question.

Mr. Knowles (Winnipeg North Centre): Carried unanimously.

Mr. O'Hurley: I know that if all hon. members were present in the house today there would not be unanimity on this question.

An hon. Member: Let us vote and find out.

Mr. Lambert: Indeed, Mr. Speaker, it might create a greater division than presently exists as we have seen today in the introduction of this measure.

An hon. Member: Six o'clock.

Mr. O'Hurley: I think the remarks made by hon. members who have spoken today point up the need for a greater education on the part of our people in appreciating that this is a bilingual country with two official languages and that the question is something which must be studied. It is a matter which we must bring to the attention not only of members of this house but of our constituents in order that they may understand its implications.

Mr. Lesage: You did not do it in the last election.

Mr. O'Hurley: I spoke in both English and French when the occasion presented itself. In my constituency I have three municipalities wherein I have to speak English and I am always proud to do so and in the other I take pride in speaking French.

Mr. Speaker, may I call it six o'clock.

Mr. Lesage: It is not.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

HAMILTON HARBOUR COMMISSIONERS

LEGISLATION TO AUTHORIZE LOANS FOR ADDITIONAL FACILITIES

Hon. George H. Hees (Minister of Transport) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a bill to authorize the Minister of Finance to make loans to the Hamilton harbour commissioners, out of the consolidated revenue fund, not exceeding in the aggregate $4 million for the purpose of constructing additional dockage and other facilities in the harbour.

Motion agreed to and the house went into committee, Mr. Rea in the chair.

Mr. Hees: Mr. Chairman, this resolution seeks to authorize a loan of $4 million to the Hamilton harbour commissioners to permit them to participate in an $8 million harbour development program to be completed in 1960. The trade to Hamilton harbour, both foreign and domestic, has been steadily increasing in recent years. The established industries have definite plans for expansion; other industries are moving to Hamilton and the recent announcement of the Ontario hydro of the construction of a system of a steam generating plant all add materially to the rate of increase of waterborne traffic. The completion of the St. Lawrence seaway will, I am sure, greatly contribute towards this rate of increase.

The Hamilton harbour commissioners propose to construct a new transit shed on the Wellington street terminal, now being extended by the Department of Public Works. They propose to create by 1959 a new terminal slip at Ship street and to construct for 1960 a new slip at Strathearne street. The Wellington street transit shed will cost the commissioners $1 million and the new slips at Ship street and Strathearne street are estimated to cost $3 million each, the commissioners to pay one-half of this cost and the remainder to be borne by the Department of Public Works. In addition, the Department of Public Works would carry out a large dredging program costing $1 million in connection with the Strathearne street slip.

A loan at the rate of 4⅛ per cent for a term of 40 years is proposed, and on this basis the annual financing for the Wellington street transit shed would be $50,000 and for the Ship street and Strathearne street terminals $75,000 each, making a total of $200,000 annually. An examination of the harbour commissioners financial position indicates that the expected revenues above expenditures would be well in excess of $200,000 per annum and that under normal circumstances the commissioners would have no difficulty in meeting their commitments.

These projects were examined by the departments of public works and finance and my department on the spot some months ago, and after further discussion in Ottawa it was agreed that this expansion program in Hamilton merits support. I trust that the resolution will commend itself to the house as an important step to facilitate the development of Hamilton harbour and to permit the Hamilton harbour commissioners to keep in step with the demands of waterborne traffic being made upon them. I might say that when the bill is before the house I intend to move that it be referred to the standing committee on railways, canals and telegraph lines.

Mr. Marler: Mr. Chairman, as the minister has pointed out, this resolution is a necessary prerequisite to the introduction of a bill which will enable the government to lend to the Hamilton harbour commissioners an amount not exceeding $4 million for the purpose of constructing additional dockage and other facilities in Hamilton harbour. I think that in considering the resolution it must be remembered that the Hamilton harbour commissioners are a separate and autonomous corporate body and that this is not one of the national harbours which falls under the jurisdiction of the national harbours board. Consequently, in considering the terms of the resolution it must be borne in mind that there is a distinction to be made between these autonomous harbour commissions and the national harbours board itself which is an agency of the crown and at the same time a national institution.

Of course, I am fully aware that in the past the federal government has followed the practice of advancing the capital sums required for harbour dredging in the harbours which, having harbour commissioners, still do not fall under the jurisdiction of the national harbours board. But I think that this is the first case which has come to my notice in which the rather extensive program referred to somewhat briefly by the minister is to be carried out as a joint operation by the public works department of this government and by the local harbour commission itself. Perhaps I might come back to that point in a moment.

I should like to say, considering the matter more in a general way, that it was my experience when I was minister of transport that a decision had been pretty well reached that advances made to autonomous harbour commissioners for harbour improvements from time to time would be made on the basis that the investment would be self-liquidating. I think that was a sensible policy to follow because naturally when the government came to consider the propriety of making an advance or of the making of an expenditure which it would itself support, all of the pertinent facts would be taken into account so that, so far as it is possible in advance to predict what the future development of a harbour will be, consideration would be given to all the pertinent factors in order that an estimate might be reached of the additions to the revenues of the harbour and at the same time the additions to operating expenses and particularly, when advances of this kind were considered, the addition of the burden of interest and amortization of principal.

I think that such a policy has much to commend it because otherwise harbour commissioners who are inspired by a natural and understandable wish to possess more attractive and perhaps more modern facilities might very easily be tempted to borrow substantial sums from the government in the expectation that by the expenditure of the moneys in question business would be attracted to their harbours and that, in their estimation at least, revenues in sufficient amount would be developed to enable the harbour commission to repay the moneys so borrowed. But clearly if this were done widely and without the element of—I would not like to use the word "supervision"—the economics of the projects being given careful attention, developments of this kind would give rise to a state of affairs which I think in the long run could only be disadvantageous to local harbour commissioners and of course to the government itself if the government were financing such improvements. Consequently, when I was associated with the Department of Transport it was felt it would be desirable to have the fullest economic study made of projects of this kind in order to determine to what extent the proposed capital expenditures were justified.

It seems to me, Mr. Chairman, we have quite an unusual situation here. It is common knowledge, I think, that the Department of Public Works has, for example in the case of the Toronto harbour commission, carried out

extensive dredging projects at the expense of the federal government so as to provide deep water navigation up to the facilities which have been constructed by the Toronto harbour commission itself. I can, however, recall no instance in which the government has used public funds, obviously through the budget of the Department of Public Works, and either alone or jointly with any harbour commission undertaken the construction of facilities which by their very nature are revenue producing.

The facts as given by the minister should, I think, remove any particular disquiet as to the security of the $4 million which is to be advanced by the government, and which it is necessary that the committee should consider when adopting this particular resolution. But I think the government should perhaps consider what will be the effect of the policy which it seems now to be inaugurating in placing under the control of separate and autonomous harbour commissions valuable facilities producing revenue, when the revenues from those facilities will be used exclusively for the purposes of the harbour commission.

Of course, I have no knowledge whatever of the cost of these facilities other than the information which the minister has just given. It is not possible for me, with the rather limited information at my disposal, to know how useful the facilities which the minister has described will be; what are likely to be the revenues which they will produce when fully developed and, let us say, fully used. I do believe the government owes it to the committee to explain the reasons which have led them to depart from past policies in this connection, and to say whether in other places in Canada where additional harbour facilities are going to be required they will follow the precedent which appears now to be established of bearing jointly with the harbour commission the cost of the improvement it may be thought suitable to make to the local harbour. I think there is a very real and obvious distinction to be made between expenditures made in the national harbours and those made in the case of autonomous bodies such as Hamilton, Toronto, New Westminster and a few others. I think the minister should explain what are the reasons which have led the government to depart from the more or less established policies.

Coming back to the national harbours, I would say that it is quite obvious where improvements are made by the national harbours board it is quite proper that they should be financed by the government. If the facilities produce more revenue than is needed, in other words more revenue than is required to repay the interest and amortization of the investment, the excess will accrue to the national harbours board and will find its way into the accounts of the government at the end of each year. But in this particular case the revenue which will accrue from the improvements to which the minister has referred will accrue to the commission itself. I do not reject the idea, I am just questioning the advisability of embarking on a policy in which the cost of revenue producing improvements is borne jointly by the federal government and the commission itself.

At all events the minister will perhaps deal with that question before the resolution is adopted. He has referred, of course, to the question of the traffic in Hamilton harbour. I think it is gratifying to note that there has been, as the minister has said, an increase both in foreign and domestic traffic. As I recall, about a year or so ago when I had occasion to examine the volume of overseas traffic which was then passing through the canal system I observed that of the not very large proportion which originated from or was destined to Canadian ports on the great lakes, the portion going to Hamilton represented a fairly substantial percentage. I do not recall the exact figure but my impression is that more than two-thirds of the total overseas traffic was destined to or originated from the two ports of Toronto and Hamilton.

The minister has referred also to the probable building at Hamilton of a thermal plant by the hydro electric commission of Ontario. Quite obviously, that should provide additional traffic for Hamilton harbour. So far as the St. Lawrence seaway is concerned, I think we all believe there is going to be an expansion in overseas traffic, although while I was minister of transport no one in the department seemed anxious to put down on paper any very positive estimate as to the exact amount of that traffic. In any event, as I understand what the minister has said, it is the belief of his department that the increase in foreign and domestic traffic, the traffic that is likely to be generated by the establishment of a thermal plant at Hamilton, and the additional traffic which may be expected to develop when the seaway is finished will, all in all, justify the new facilities and provide revenues adequate to meet at least the interest and amortization of the $4 million covered by this resolution.

I should like, Mr. Chairman, to hear what the minister has to say with regard to the broader question of these facilities being provided at the joint expense of the local

harbour commission and the Department of Public Works. I realize, of course, that is not the principal issue in this resolution. The principal issue in this resolution, on which I think there can be no possible disagreement, is that the resolution is a prerequisite to a bill which will authorize the Minister of Finance to lend $4 million to the Hamilton harbour commissioners for the carrying out of this program. From what the minister has said, and bearing in mind the very well-established reputation of the harbour commission itself, its long record of successful and good administration of the harbour, I do not think any of us would have any qualms about approving the resolution. However, I do hope the minister will tell us something about the subsidiary question of the financing of these harbour facilities jointly by the federal government and by the local commission.

Mr. Barnett: During the first year in which I was a member of this house I had the pleasure one week-end of visiting Hamilton as a member of a party of members of the house. While I realize that a brief visit does not qualify me to discuss in any detail the merits of this project, certainly during that visit I gathered enough knowledge of the interest in the affairs of the city taken by Hamiltonians to understand the interest of the Hamilton harbour commission in this particular project.

I was interested in listening to the brief statement made to the house by the Minister of Transport and also in listening to the statement made by the former minister of transport. Perhaps I might be permitted to observe that the statement of the former minister of transport was perhaps a little bit more discursive than were some of the statements he used to make when he was sitting across on the other side of the house on occasions similar to this.

Mr. Marler: I am not now so hampered by responsibility.

Mr. Barnett: I feel that the introduction of the resolution raises one or two questions which I certainly should like to have the Minister of Transport answer for us before the resolution passes. If I understood correctly the remarks of the former minister, he suggested to the house that in this resolution there has been some departure from what has been the former policy of the department. I can believe that perhaps the former minister may have more knowledge of some of the details of this project than he has indicated to us in the house. I do not imagine this project has reached the present stage overnight. The question which occurs to me, of course, is whether this is the first time an advance of this kind is being made to one of the autonomous harbour commissions and how similar this resolution is to any previous arrangement for financing works by the independent harbour commissions as distinct from works under the national harbours board. I think the Minister of Transport should make it clear to the house whether this is a particular project or a particular policy in respect of the Hamilton harbour commission or whether other autonomous harbour commissions, if they had similar needs and were under similar circumstances, would be able to receive similar consideration.

I have some interest in this matter in view of the fact that one of the autonomous harbour commissions lies within the boundaries of my own constituency. While I have no present indication that they may be approaching the government with any proposals for extension of harbour facilities, nevertheless I think it should be clear to us as members of the house from various parts of the country and with interests in various ports of the country just what the government is doing in bringing forward this proposal. I have no reason to doubt that my colleagues on the railways, canals and telegraph lines committee will be able to give full support to the measure as it reaches further stages, but I feel that one or two of these points which have been mentioned by the former minister of transport as well as the question which I have raised should be answered by the minister while we are discussing this measure at the resolution stage.

Mr. Irwin: I do not intend to occupy too much time of the committee because there is no reason why this motion should be held up. After all, I believe it is expedient that the Hamilton harbour commission should extend its facilities in the light of the fact that the St. Lawrence seaway is certainly going to make upon it demands that at the present moment do not exist and are not likely to come into being as a result of ordinary traffic.

I noticed that the hon. member for St. Antoine-Westmount—maybe I misunderstood him—was trying to bring the city of Hamilton into this question of financing this project. Frankly I do not think that is good business. The city of Hamilton or for that matter any other municipality has plenty on its hands under existing economic conditions without entering into the question of extending harbour facilities, particularly when those extensions arise out of the fact that what is going to occur is not because of anything that Hamilton does but because of something for the general benefit of Canada itself. I believe

that this is a matter solely for the Hamilton harbour commissioners and for the board of harbour commissioners here in Ottawa. I think this is an excellent opportunity for the government to show its willingness to assist municipalities or districts, as far as that is concerned, to a reasonable extent to extend their facilities in order to help out national causes.

I am a little bit worried, of course, because I come from Burnaby and we are faced with the fact that we have harbours on the Fraser river. I hope this will be a step in the direction of the federal government showing its willingness to enter into this question broadly across the country and to help out the harbour commissions on the Fraser river. If I could suggest it to the Minister of Transport, one of the first steps they could take in the matter is to try to correlate the activities of the two harbour commissions at present on the Fraser river.

As to this loan to the Hamilton harbour commission, I notice that our friend the hon. member for Comox-Alberni was a little bit worried that it was going to set a precedent. I am not the least little bit worried about their setting a precedent because, as far as I am concerned, they could not set a better precedent in this world than the one they are setting now, if that is what it is going to be, in helping harbour commissions to help Canada into a better position than that in which it is at the present time.

Mr. McIvor: I should like to ask the minister a question. Is not 40 years a long time over which to spread $4 million? A harbour board is not likely to see 1997 and most of us do not expect to see it. Could it not be 20 years at four per cent, leaving out future generations?

Mr. Hees: The answer to that question is that if you try to pay off that loan in 20 years at four per cent, you just do not pay off the loan.

Mr. McIvor: Thank you.

Mr. Marler: I hope the minister is going to outline the question of policy.

Mr. Hees: Yes. The hon. member for St. Antoine-Westmount asked with regard to our being willing to advance a loan for half of the total cost of the Hamilton harbour commission while the Department of Public Works is making a considerable investment. In reply I might say to him that we believe that is fair and reasonable assistance to an important harbour in Canada which we believe is growing in order to assist it to develop and grow. The hon. member for St. Antoine-Westmount perhaps feels that this is too generous a bill for the Hamilton harbour commission. I do not know whether or not that is his view but this is what we consider to be a fair proposal and we have submitted it in that spirit. We are satisfied with this proposition and feel it is a good and satisfactory way in which to help a growing city help itself. Now I wonder if the hon. member for Comox-Alberni would repeat his question.

Mr. Barnett: Mr. Chairman, the question I asked of the Minister of Transport was whether this was the first time an arrangement of this kind has been entered into by the federal government with one of the autonomous harbour boards and, if it was not, whether he could give us some indication as to what departures, if any, from previous arrangements were being made in this instance? I may say for the benefit of the member for Burnaby-Richmond that I was not expressing any concern over the setting of a precedent but I would like to know the facts.

Mr. Hees: Well, Mr. Chairman, I am not really an expert on harbour assistance. I do know however that through the Department of Public Works the government is assisting the Toronto harbour commission in respect of considerable dredging operations in helping the harbour to become prepared for the opening of the St. Lawrence seaway. I also know that at the present time this government is considering what help it might give to both the Department of Public Works and the Department of Transport in an examination of possible assistance to the harbour at the lakehead. I believe it is the duty of government, where it can do so, to assist people to help themselves but I do not think there is any hard and fast rule as to exactly what a government should do in any particular set of circumstances. I believe it is the role of government to assist the communities in respect of development projects which will help their own economy and the economy of the country to grow and, with respect to this plan of action, I feel this government is acting correctly in moving towards the helping of people to develop this growing country of ours.

Mr. Barnett: Well, Mr. Chairman, I think perhaps the minister has not really answered my question. I am quite aware of the fact, of course, that through the Department of Public Works quite a large number of harbour development projects are undertaken and money is spent for that purpose in many parts of the country, but the real point of my question was whether or not there had been previous occasions on which an arrangement such as is described in this

resolution had been entered into. That is to say where, out of the consolidated revenue fund of Canada money is advanced to one of the autonomous harbour commissions for the undertaking of their capital works projects. Now if the answer is not at the minister's fingertips—and I understand of course that he has not a long background of experience with the detailed activities of the Department of Transport—perhaps arrangements could be made to have the answer given in the committee stage of the bill.

Mr. Hees: Well, Mr. Chairman, I know for instance that in the hon. member's own province the Department of Public Works assists an autonomous harbour commission, namely that in New Westminster, and has assisted them considerably in the past with respect to dredging operations. The government has assisted various harbour commissions in various ways, but I do not feel there is any set pattern in which we say we will or will not carry out any particular set of operations. Whenever something appears to be necessary to be done, as I understand it, my department and the Department of Public Works look into the matter to see if it is justified and to see if there is some way in which the government can help the harbour commission to do the job which it wants to do.

Now it seems strange to me that while members usually urge the government to do more, we find tonight that members are urging the government to do less. The government, I think, is doing a reasonable job of assistance to the Hamilton harbour commission in helping itself and in expanding and it seems to me from the remarks made by members of the opposite side of the house there is a certain criticism implied. There seems to be an idea abroad that we are doing a little too much; that perhaps we should be thinking about this a little bit more carefully; that perhaps we should not lend so much; perhaps we should have the loan paid back in 20 years instead of 40 years and perhaps the Department of Public Works should not be participating in the way it is.

Now, if the hon. members opposite feel that way it is certainly different from what usually takes place when measures of this kind come before the house. I am speaking for the government in this matter and I feel that the government is adopting a good, sensible and progressive policy to help the harbour commissions help themselves. If members on the opposite side of the house now feel we are being too generous—and of course they are entitled to their own view—then I am surprised to hear it. If that is the feeling, as I say, it is quite different from what usually takes place, but of course now we have a new government which looks at things a little differently and perhaps we are going to get a brand new type of criticism.

Mr. Barnett: I wonder if perhaps the hon. member for Trinity-Conception who has just risen to his feet would mind if I pursued this a little further because I think the Minister of Transport has, in his last remarks, entirely misrepresented my reason for rising to ask him questions. I cannot see how he could possibly have read into anything I have said any desire to oppose the proposal which has been put forward. Surely if we rise simply for the purpose of obtaining a little more information from the minister than he saw fit to give us at the opening of the discussion we cannot be considered as opposing the proposal which the government is bringing forward.

Now I thought my question was perfectly simple and straightforward; I did not say one word as to whether I was for this measure or against it except that I did say at the start that I understood and appreciated the desire of the Hamilton harbour commission and the people of that city to have their harbour facilities extended and I fully expected that we would be able to go along with this proposal. Now I said that quite definitely. What I wanted to know was simply whether this was the first time the government had chosen to adopt this particular pattern of providing assistance by the mechanism of a loan which I understood is to be repayable under certain terms and conditions to the consolidated revenue fund.

In my initial remarks I did raise a further question as to whether or not we can understand from the minister that, under the same terms and conditions, if other autonomous harbour boards approached the government with a proposal which stood on its merits in the way the minister indicates this one does, they could expect the same kind of arrangement might be worked out. That is all I wanted to know from the minister. I had no desire to create in his mind that I was in any way opposed to his proposal when I asked these questions.

Mr. Hees: Well, Mr. Chairman, this bill, as I mentioned earlier, will go before the standing committee on railways, canals and telegraph lines where full questioning will be possible and at whose meetings the officials of my department will be present to answer all questions that can be put. As I explained earlier, I have held this portfolio for only a limited time and I am not an

expert on the past history of these things. I am doing the job at the present time and trying to look to the future.

Regarding looking to the future, I am glad to be able to assure the hon. member for Comox-Alberni that if other harbour commissioners put forward propositions which appear to be as economically sound as this one does, we will be pleased to receive them and to consider them and to look on them very favourably. I feel that this is really what the hon. member wants to know.

Mr. Stick: Mr. Chairman, it seems to me from what the minister is saying that he is initiating a new policy. I am not against that policy and I am certainly not against spending money for harbour commissions or public works. We find it mighty hard to get from the Minister of Public Works what we require to assist our people in improving their living standards.

But we have a harbour in Newfoundland, St. John's. The minister has seen it himself and I think he will realize that it is an important and growing port. I am given to understand that they need improvements down there, and I am hoping—and the minister has partly answered my question when replying to the last speaker—that if the people in St. John's apply to him under the same conditions as Hamilton has done he will grant the same facilities as he is granting Hamilton. The minister has already said he will consider these schemes on their merits. That leaves an escape. But I think that if he grants this to Hamilton he cannot deny it to anyone else who asks for the same concessions under the same conditions, and I should like an assurance that if the harbour commission in St. John's puts the case up to him, and if they need the improvement, they will get the same terms as Hamilton is getting.

Mr. Hees: As I said to the hon. member for Comox-Alberni, I am very glad to assure the hon. member that, if the harbour commission of St. John's brings forward to us a proposition which on examination appears to be as economically sound as this one does and gives an equal good assurance of payment at an economic rate of interest over a reasonable period of time we will be very glad to look at it as favourably as we are looking on this application.

Mr. Fisher: Mr. Chairman, there are a number of innocents in the house who are always seeking educational opportunities, and I think as one of the innocents it is disappointing to find we have had more educational inspiration on this occasion from the former minister than from the present minister.

I think the present minister has missed the point of the queries. He drew into the discussion a mention of the lakehead. As he knows, we have no harbour commission there, but I feel the member for Comox-Alberni and myself both have the same reason for wanting to know more. In the area from which I come we hope to have a harbour commission at the lakehead. We would like to know how this whole arrangement was made and how it was developed; what steps the government took in examining the Hamilton facilities; how the recommendations were made; and whether this whole principle is one which we can look forward to being followed when a good case is made.

I had looked forward to having a more general answer which would have enabled us to approach the question with more background when it is discussed in committee, and I do not think the ingenuous counterplay made by the minister is good enough.

Mr. Hees: I do not know what the hon. member for Port Arthur is complaining about, because as soon as the matter of the harbour facilities at the lakehead was brought to my attention and to the attention of the Minister of Public Works, the officials of our departments went immediately to the lakehead, studied the situation there, and have since been giving it a very great deal of attention. I do not think the hon. member or the people he represents will be disappointed when our plans are finally disclosed.

The hon. member has asked what transpired between the Hamilton harbour commissioners and ourselves. They put forward the proposition that in their estimation certain facilities should now be provided. Officials of my department and officials of the Department of Public Works looked over the situation, examined the records of the past very carefully, decided what in their estimation would be the potential of the harbour as the St. Lawrence seaway developed, what percentage of traffic could be expected in view of what has taken place, and agreed on the basis of that study that the assistance which is being given was justified and that the loan which is being made available is justified. There is nothing very complicated about it. We are perfectly willing for harbour commissioners to come to us and bring forward propositions to examine, and when this is done we are happy to examine the economic potentialities, the potentialities of growth, the cost of what has to be done and so on, and decide what development we believe to be justified.

I hope that answers the hon. member's question. We have tried to deal fairly with

the situation at the lakehead. I do not know how we could have worked more quickly or done any better than we have done, and I am sure the lakehead will get a fair deal and I hope I have explained the rather simple procedure we follow.

Mr. Fisher: The minister is perhaps a bit too sensitive. I am not complaining at all about the situation at the lakehead. I just wanted to know more about the situation so that I would know the pressure points when the time came at the lakehead. I hope the minister will answer the question raised by the former minister, which was, as I recall his words, whether this is likely to create a situation in which a harbour commission will spend more than it can afford because it can draw on funds such as these.

Mr. McDonald (Hamilton South): Mr. Chairman, I will intervene in this discussion very briefly to assure the house that the Hamilton harbour commission is a very competent commission. They have shown the soundness of their judgment as to the future by putting before this government the present proposal, which is a very businesslike proposal with an arrangement for payment of an appropriate interest rate over a certain period of time.

Studies of Hamilton harbour have been made over the past year, and since this is the third largest port in the country and since there are 542 industries in Hamilton, some of these the largest in Canada, I feel it is a very good proposition for the people of Hamilton and one which will greatly help the development of the St. Lawrence seaway. I must congratulate the Minister of Transport on his speedy action in dealing with this loan arrangement, and I must also congratulate the harbour commissioners of Hamilton who have created something of a precedent by making this application. I think it shows that Hamilton wants to help itself. It is not asking for anything for nothing, but it is going ahead and making an effort to ensure its future welfare. I think this is another example of this Conservative government co-operating with the municipalities in this type of endeavour and I would like to give it my full support.

Mr. Marler: Mr. Chairman, I would first like to correct the impression the hon. member for Burnaby-Richmond seemed to form from what I said when speaking on this resolution. He seemed to think that the purpose I had in mind in raising the question of this change of policy with regard to the financing of harbour improvements was to throw on to the back of the municipality a responsibility which clearly does not belong to it. I am sure that if the hon. gentleman will read in *Hansard* tomorrow what I said earlier he will find that no words of mine should have given him that impression.

The reason I raised the question of what seems to me to be a change of policy is that up to, let us say, the time when the government changed in June it had been the constant practice of the Department of Public Works to do the original dredging that was required in order to enable ships to approach the facilities provided by harbour commissions and to undertake that dredging at the expense of the national budget and not to charge the costs of that original dredging to the harbour commission which benefited from it.

In the case of the Fraser river I know the question was discussed as to whether or not the cost of annual dredging, which as the hon. member for Burnaby-Richmond no doubt knows is somewhat extensive, should continue to be borne by the Department of Public Works. I do not know what decision has been reached by the present government in that connection but I must say that personally, having the interests of the harbour commissioners at heart and having had some responsibility in representing them in the House of Commons, I am quite sympathetic to the view that all dredging both original and annual should be done by the Department of Public Works because it seems to me that was the way in which the needs of navigation were taken care of so far as the movement of vessels is concerned. It never occurred to me that the Department of Public Works had any responsibility to provide the facilities in the harbours where a harbour commission had been established.

We know, of course, that the Department of Public Works provides harbour facilities of a kind all across Canada but we also know that the revenues from those facilities are paid into the national treasury and the federal government, in a word, takes the good with the bad. Broadly speaking I think it is probably doubtful if on a general basis the revenues from harbour facilities provided by the Department of Public Works are self-supporting. I do not think anybody would quarrel with that fact because we know that those harbours for which improvements are made by the department are small harbours and are not capable of bearing the total cost and producing the revenues which would make the capital expenditures which have been made self-liquidating.

With regard to the Hamilton harbour commission, as I understand the situation there is a program of works to cost $8 million of

which one-half is to be paid by the Department of Public Works and the other half is to be paid by the Hamilton harbour commission by means of money furnished by the Minister of Finance and repaid over a period of years. As I said earlier, so far as the official opposition is concerned we believe there is no question whatever that this loan should be well within the financial capabilities of the Hamilton harbour commission and I do not think there is any doubt that it will be able to pay interest and amortization on principal in the 40 years which the minister has mentioned.

The point I do want to bring to the attention of the minister is this. There are, of course, other autonomous harbour commissions and I would like to mention two in particular. There is the harbour commission of New Westminster and, as hon. members from British Columbia well know, this commission not very many years ago borrowed from the federal government the moneys that were required to build what I believe is called the new ocean terminal and there was no question in that connection of the federal government paying half the cost of those facilities. But then nearer at hand to Hamilton, and I take it competing with it for business, is the harbour of Toronto and, as the Minister of Transport who is one of the Toronto members well recalls, within the last two or three years, I think, a new terminal was put up at not inconsiderable expense by the Toronto harbour commission. In that particular case it obtained its own funds without government help and the government did nothing towards contributing to the costs of those facilities which were entirely paid for by the commission itself, as I said.

The situation that seems to me to be developing is that Toronto provided facilities at its own expense and, as I see it, must necessarily levy the tolls and tariffs for the use of its facilities that it requires to pay the interest and amortization on the investment which it has made in those facilities, whereas under the proposal which we are now considering Hamilton is to receive $8 million for facilities to which the Department of Public Works is to contribute $4 million so the interest on the expenditure represented by those facilities is only on $4 million and not on $8 million. If Toronto had built them it would have cost them $8 million.

Under the plan we are now discussing Hamilton will have $8 million worth of facilities but a debt of only $4 million. My only reason for raising the question of this change of policy was not, as the minister seemed to think, to urge the government to do less—I am sure he will find nothing in what I said earlier that urged him to take any particular course of action with regard to Hamilton—but what I did ask him was to give the committee the benefit of the consideration which he and his department must have given to this proposal because it seems to me that it creates—if you like, let us call it a precedent. There is nothing wrong with creating a precedent but I think there must be some reason for departing from a policy which had been followed uniformly with all of the harbour commissions across Canada.

The hon. member for Hamilton South in his remarks a moment ago spoke about the need of these facilities and the useful purpose they would serve and while I am not suggesting that he went into the matter at all fully the impression which I received from what he said was that the facilities were of such a character that they would provide the revenues needed to pay the interest on the whole cost. Consequently I am just asking the Minister of Transport if he could not give us a more complete explanation of why there is this change of policy and why we seem to be providing in this particular case at a cost to be borne to the extent of 50 per cent by the federal treasury—I may be quite wrong in this assumption—facilities which would seem to be of themselves self-liquidating.

No one is suggesting for a moment that the facilities should not be built. I think the minister has made it quite clear that in the judgment of himself and his officials the facilities are needed but the one point he has not clearly disposed of in my view is why half the cost should be paid by the federal government when the facilities seem to be self-liquidating and self-supporting. Perhaps the minister could give us a fuller explanation on that point.

I should like to reiterate that I have no wish whatever to interfere with or to hinder the development of facilities in Hamilton harbour. I think we probably all agree that they are necessary. While we do not have the more special knowledge the minister would have as to whether $8 million is the exact cost or the details of the facilities themselves, in a broad general way I think he has made out a case for the carrying out of the work. But I would suggest to him that he has not yet made out a case which is very convincing as to why Hamilton is not able itself to service the cost of the facilities which seem to be necessary.

Mr. Hees: I wonder whether the member for St. Antoine-Westmount would tell me this. Were these arrangements and this proposition not discussed quite clearly between

himself as the former minister and the Hamilton harbour commission? Was there not a discussion with him?

Mr. Marler: I can assure the minister that this is the first time I have had any personal knowledge of this particular project.

Mr. McDonald (Hamilton South): I do not wish in any way to say anything against the hon. member for St. Antoine-Westmount, but after the election I made a routine check of the facilities of the harbour and in discussion with one of the harbour commissioners appointed by the former Liberal regime he asked me if our government would give consideration to the $4 million proposal about which he had talked to the Department of Transport before the last election. I told him that I would take up the matter with the officials of the Department of Transport when they came to Hamilton and that I was sure that they would extend the co-operation that this government always gives.

Mr. Martini: Mr. Chairman, I support the resolution and I have some figures here which prove that Hamilton harbour is growing fast. As the hon. member for Hamilton South said, we have industries there that are situated on the harbour. I just want to give these figures. Thirty-five years ago only 60,000 tons of cargo were handled in and out of Hamilton harbour. In 1956 the figure was 7,834,593 tons and I am told that the increase this year so far is over a million and a half tons. The hydro thermal plant to be built in Hamilton will mean the bringing in of about 4 million tons of coal a year, more than Hamilton uses at the present time. Therefore I am in favour of the resolution.

Mr. Lavigne: Mr. Chairman, I should like to say a few words on the resolution. I want to tell the minister that I am very happy to see it on the order paper and I wish to compliment him on it. I know the problems of the municipalities along the St. Lawrence seaway. Their financial problems have become very serious. They have been experiencing growing pains and are having difficulty in selling their debentures. They have a much graver problem facing them in the need to develop harbours and promote harbour commissions and are having a very difficult time. I am happy to see the resolution on the order paper because I may have a similar one with respect to the Cornwall harbour commission before too long.

Mr. Marler: Is the minister not going to deal with the question I asked?

Mr. Hees: I think all I can say to the hon. member is that this is a new government and we are taking a new look at a number of problems. Perhaps that is the reason we are here today. This proposition appears to us to be a fair and sensible one in order to help harbour commissions and municipalities to help themselves. We have studied the matter. We feel that it is not giving away the government's money. We feel that the government should assist the development of commerce and industry by helping harbour commissions provide the needed facilities. That is the way we as a government look at this proposition.

The former government may condemn it. The former government may consider we are giving away government money. The former government may consider we are doing things that are spendthrift and foolish. We do not. We believe that this is a way to help people to help themselves, to invest in Canada's future. This matter has been considered thoroughly by the government. We have considered every aspect of it. We consider the proposition is fair and sound. All I can say to members on the opposite side is that if they do not feel this is the right way to spend government money then let them be sure to vote against it. We feel that it is. We believe that this is a sound, sensible way to help Canada to help herself.

Mr. Marler: Mr. Chairman, I suppose this is probably the fiftieth invitation that the government has extended since the beginning of the session for us to defeat them on some measure or other. I must say I am somewhat surprised that my hon. friend is following the example of some of his colleagues because in my own parliamentary experience, which now extends over some fifteen years, his is the first government I have met so far which has seemed more anxious to have its proposals defeated than accepted.

Mr. Hees: Just tested before parliament and before the people.

Mr. Marler: Regardless of what the minister says concerning the desirability of the federal government lending a helping hand to the Hamilton harbour commission, the fact remains that the two members from Hamilton—I am not, of course, including the Secretary of State—the hon. member for Hamilton South and the hon. member for Hamilton East, have both spoken in rather moderate terms, I thought, with regard to the large volume of traffic that Hamilton is already taking care of. The hon. member for Hamilton East, who spoke a moment ago indicated that the already substantial volume of traffic, which, I suppose, is now in the neighbourhood of 8 million tons annually, is going to be increased by another 4 million tons when the hydro thermal plant is built

in Hamilton. I cannot help thinking from what they have said and from what the minister himself has said that the revenues of the Hamilton harbour commission would seem to be more than sufficient to take care of the principal and interest on the whole cost of these facilities.

Therefore what would really seem to be the case is that the government is making a gift of approximately half the cost of these facilities to a body which, I think we should all agree, is probably fully capable of meeting its own responsibilities and standing on its own feet. One fact that perhaps should not escape us is that that really is not the question before the committee at this time. The question before the committee at this time is the resolution which is in these words:

> That it is expedient to introduce a bill to authorize the Minister of Finance to make loans to the Hamilton harbour commissioners, out of the consolidated revenue fund, not exceeding in the aggregate $4 million for the purpose of constructing additional dockage and other facilities in the harbour.

I come back to what I said when I first spoke, Mr. Chairman, that we intend to facilitate the passing of the resolution and the bill to be based on the resolution, but I do not want the minister to think from that, when we are asked to consider more specifically the question of providing through the budget of the Department of Public Works an additional $4 million either by a single payment or otherwise, that we will not go into the matter. We reserve the right to go into the matter more fully at that time.

Now, Mr. Chairman, it may well be that this is a rather rosy view that perhaps we have developed during the evening as to the ability of Hamilton to pay the principal and interest on an $8 million program, provided the moneys were lent. During the discussion before the standing committee on railways, canals and telegraph lines it may develop that the commission is not able to pay interest on the whole of the $8 million, either now or ultimately, and that the tariffs that could reasonably be expected to be levied on the traffic passing over these facilities will not be sufficient to take care of and support a debt burden of $8 million. In those circumstances, I would be quite prepared to adopt a different view in the matter. For that reason I think I should reserve the position of the party to which I belong, so that when the question of providing these additional funds comes before us we shall have an opportunity of expressing our opinions in the light of the pertinent facts. As I say, Mr. Chairman, the question at the moment is whether or not we should adopt this resolution, and despite the invitation of my successor that we should defeat the government on this proposal I am not ready to accept that invitation and I think we should pass the resolution.

Mr. Hahn: Before the resolution carries, I may say I have listened with a good deal of interest to what the minister had to say and what other spokesmen have said in respect thereto. The minister is fully aware that there is a harbour commission, similar to that of the Hamilton harbour commission, in my own area. I am interested in this change in policy. I would ask the minister if this is a new policy, and if so, have harbour commissions been made aware of it so that they can take advantage of it in other areas of Canada?

Mr. Hees: There is no new policy. As I tried to tell the house tonight, we examine each application as it comes before us and try to make a sensible, accurate and fair summation of the application and deal as fairly as we possibly can under the circumstances which are presented to us. There is no new policy, other than perhaps a different look that a new government takes of national affairs. There is no laid down new policy. We believe that the attitude that we have taken in this matter is quite a sensible and fair one. It may not be, but we think it is. It is not a new policy, as I said; it is simply perhaps a willingness to look at each and every problem that is presented to us on its merits, and an attempt to decide what should be done in the light of the presentation that is made.

Mr. Hahn: I am very appreciative of what the minister has just said because in it I recognize that while he is not prepared to indicate that it is a new policy, at the same time the fact is established that the government is taking a different look, or let us say looking at this matter through different glasses. I am prepared to accept that. I am very happy to ascertain that we have this new look. I would be the last person in this house to oppose this suggested move. I am more particularly interested, however, in establishing whether or not the government is prepared to accept other applications along similar lines by other harbour commissions?

Mr. Hees: As I said earlier, Mr. Chairman, this government is very glad, as the last five and a half months have indicated, to look at any proposition that is put before them, to examine it to the best of our ability. I am not saying, by any manner of means, that we accept each proposition that is put before us. However, we will look at them, examine them, and to the best of our ability decide whether they are good propositions or otherwise.

Mr. Hahn: I should like—

Some hon. Members: Oh, oh.

Hamilton Harbour Commissioners

Mr. Hahn: I am delighted at the reception I am receiving from my Conservative friends. I am concerned with ascertaining if this is a new policy with respect to harbour development. If so, I think the people in Canada, and particularly those in my own riding, have a right to know whether or not they can expect the same treatment as the Hamilton harbour commission has received. I am satisfied with what the minister says, that each application must stand on its own merits; that seems to be the case. In other words, what we have in effect is a new policy which says that every harbour is going to be considered on the basis of the case the commissioners make for it. The reception of the application may, of course, depend to a large degree on the personnel or other attributes which the commission has in presenting its case. I do not think that would be too satisfactory in some instances.

Mr. Hees: As a last word, I will say that the personnel of the harbour commission in question has nothing to do with the acceptance or otherwise by this government of an application. I think it might be of interest to hon. members to know that I believe most of the members of the Hamilton harbour commission, so far as I know, are not sympathetic to the party which I represent. This had nothing to do with our examination of the case. Our examination of any particular case will have nothing to do with the political affiliation of the members of the board concerned.

Mr. Hahn: Mr. Chairman—

An hon. Member: Sit down.

Mr. Hahn: An hon. member suggests that I sit down, but I do not think it would be fair to the minister if I left the impression that I thought he had made a suggestion about political affiliations. The only thing I am suggesting is that in the event a harbour commission has a particular problem in respect to their harbour I feel they should be entitled to expect the same treatment as the harbour commission of Hamilton received.

Resolution reported and concurred in.

Mr. Hees thereupon moved for leave to introduce Bill No. 197, respecting the Hamilton harbour commissioners.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall this bill be read a second time?

Some hon. Members: Now.

Mr. Knowles (Winnipeg North Centre): By leave.

[Mr. Hahn.]

Hon. George H. Hees (Minister of Transport) moved the second reading of Bill No. 197, respecting the Hamilton harbour commissioners.

Mr. Marler: Is the minister going to make a statement on the bill?

Mr. Hees: I do not think there is anything I can add to what I said at the resolution stage.

Hon. George C. Marler (St. Antoine-Westmount): The only comment I wish to make on the bill is that it seems to be in the form which is usual in cases where the Minister of Finance (Mr. Fleming) is to be authorized to make loans to harbour commissions. I, personally, have no further comments to make on the bill itself.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

CANADIAN VESSEL CONSTRUCTION ASSISTANCE ACT

AMENDMENTS RESPECTING DEDUCTIONS, REASSESSMENTS, DEPOSITS, ETC.

Hon. George H. Hees (Minister of Transport) moved the second reading of Bill No. 72, to amend the Canadian Vessel Construction Assistance Act.

Mr. Knowles (Winnipeg North Centre): Explain.

Mr. Marler: Is the minister going to make a statement?

Mr. Hees: Yes, Mr. Speaker. The purpose of this bill is to extend the benefits provided by the Canadian Vessel Construction Assistance Act in order to give further encouragement to the construction and conversion of vessels in Canada.

The bill is a rather technical one involving income tax law. As the house leader has already said, when it has had second reading I propose to move that it be referred to the committee on railways, canals and telegraph lines.

Before going into the provisions of the bill itself I might summarize the existing provisions of the act by stating that the benefits granted are twofold. The first is the provision of a higher rate of depreciation, not exceeding 33⅓ per cent on a straight line basis, as opposed to the normal rate of 15 per cent on the reducing balance allowed under the Income Tax Act. This special rate of depreciation applies only, of course, to vessels built, converted or altered in Canada. The second benefit is the freedom from recapture of depreciation where the proceeds of sale of a ship are used for replacement in Canada.

The amending bill enlarges and extends the conditions under which the benefits of the act can be obtained. These extensions are necessary because of the fact that shipbuilding in Canada is a more expensive undertaking than it is in European or Japanese yards. In comparison with United Kingdom yards, Canadian shipbuilding costs are about 50 per cent higher. This means that the cost of a ship in Canada is one and a half times that of a similar ship built in the United Kingdom. At the same time we must bear in mind that during the war our shipyards made an immense contribution to the allied cause. There was built up during this period a group of skills the dispersal of which must be prevented. For reasons of national security, these skills would be necessary to us and to our allies in the event of another conflict. For reasons of our national economy as a great trading nation it is also necessary for us to maintain the necessary shipbuilding and ship repairing facilities to meet the needs of the many ships of all nations that come to carry away our exports. The Canadian shipbuilding industry is also an important source of employment for Canadian workmen.

Under the act as it now stands a taxpayer for whom a ship was built in Canada can duly obtain the benefits of a higher depreciation rate while he retains the ship on Canadian registry. In order to assist Canadian shipowners to operate their vessels competitively in the international ocean-going trades we have an arrangement with the United Kingdom whereby Canadian-owned ships may be operated on United Kingdom registry, subject to recall to Canadian registry. These ships will be considered as a Canadian contribution to any allied pool in time of war, and by the nature of the arrangements are subject to Canadian requisition in time of war.

The first amendment extends the benefits of the higher rate of depreciation to the Canadian owner of a ship built or converted in Canada and transferred to a commonwealth registry under conditions satisfactory to the Canadian maritime commission.

This involves a transfer under the special arrangements to which I have referred. Accelerated depreciation is, of course, a form of tax relief. Obviously any form of tax relief is valueless unless the taxpayer is earning sufficient taxable income to take advantage of the relief afforded. The owner cannot earn sufficient income under Canadian registry, but he can do so under United Kingdom registry. Indeed it is a recognized fact that the operation of a 10,000 ton dry cargo vessel on Canadian registry costs $100,000 more per year than it does on United Kingdom registry.

The purpose of this amendment therefore, is to encourage owners building for operation under the transfer arrangements, to build their ships in Canada instead of abroad.

Furthermore, as the act now stands, a taxpayer can obtain the benefit of the higher depreciation rate only if the newly constructed ship is built "by or for" him.

The second amendment involves the deletion of these words "by or for". This will allow Canadian shipyards to build ships, barges or vessels, for later sale to a purchaser not yet identified at the commencement of construction. In other words, it will allow speculative building. As a result, yards will be able to keep their employment cycle more level by undertaking such a venture when there is a slack period. To prevent any undue extension of this benefit, it is restricted to vessels in respect of which no depreciation had been previously allowed to any other taxpayer, either under this act or under the Income Tax Act. Consequently, in practice, the benefit will be available only to the taxpayer who has incurred the additional cost of Canadian building, and it will allow a shipyard to do speculative building with the prospect of being able to attract a purchaser.

The third amendment deals with that part of the act which gives freedom from recapture of depreciation under the Income Tax Act when the vessel is sold, provided the proceeds of sale are used for replacement under conditions satisfactory to the Canadian maritime commission. At present this benefit is available only to the ships sold by the crown in the immediate post-war years or those built since 1949 with the benefits of the act. This amendment makes the benefit of freedom from recapture applicable to the proceeds of sale of any ship regardless of whether or not it was allowed special depreciation or capital cost allowances in the past. This is designed to encourage owners of all classes of vessels to dispose of older equipment and to use the proceeds to build replacements in Canada.

The fourth amendment will allow the Canadian maritime commission to certify that it holds on deposit a sum of money or a guarantee at least equal to the tax payable if satisfactory replacement is not effected, thus allowing the benefits of freedom from recapture of depreciation to be realized during the period between disposition of the old vessel and completion of the new one.

Without this amendment the taxpayer, unless the entire undertaking is completed in one taxation year, is compelled to pay the tax in the year of sale and then to seek reimbursement of the tax in the year when

the proceeds of disposition are actually spent for replacement. This obviously makes his financing problems more complicated and more onerous.

The fifth amendment modifies certain income tax practices to ensure that the seller of a ship may enjoy the freedom from recapture at the time the sale is made.

The final amendment provides for the conditions under which any deposit or guarantee may be paid out by the Canadian maritime commission.

As with the other bills I have introduced this evening, Mr. Speaker, when second reading is passed I intend to move that this bill be referred to the standing committee on railways, canals and telegraph lines.

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, if one were to read this bill I think one would have the impression that it is probably the most complex piece of legislation which the house will be asked to consider at this session. But the language is misleading because it contains many technical terms. In fact, however, the objects which it proposes to carry out are fundamentally simple.

I should like to say to members of the house that this Bill No. 72 is drawn in very much the same terms as those of a bill for the same purposes which was introduced at the last session of parliament earlier this year but which, because of time running out, was not disposed of and did not go beyond first reading. In consequence it will be our intention to support the bill now before the house. However, I hope that if critical comments are expressed, the Minister of Transport will not again ask us to vote against the government or to throw it out of office.

Hon. members who had the opportunity of examining the Canadian Vessel Construction Assistance Act will see from its terms that it was adopted obviously in order to encourage the construction of vessels in Canadian shipyards and likewise the carrying out in Canadian shipyards of the work of conversion and major alterations. As hon. members may have gathered from what the hon. minister said in his explanatory remarks, encouragement was given in the form of depreciation at an unusually high rate and of freedom from recapture of depreciation where the proceeds from the sale of a vessel were used for its replacement under conditions satisfactory to the Canadian maritime commission. The provisions concerning depreciation which cover both the case of construction of a vessel in Canada and the case where a vessel has undergone conversion or major alteration in Canada will be found in subsections (1) and (2) of section 3, and the provisions providing freedom from recapture of depreciation will be found in section 4, from which it will be seen that the recapture provisions of the Income Tax Act do not apply where the proceeds are used or the replacement of the vessel is made, as I said a moment ago, under conditions satisfactory to the Canadian maritime commission.

The bill which is before us in effect makes several changes. The first one is to do away with the requirement that the benefits of the act shall accrue only to a taxpayer while a vessel remains on Canadian registry and it will be readily seen from an examination of the bill that one of its purposes is to do away with this requirement as a condition of being entitled to benefits and thereafter to depreciation after the vessel is replaced.

The second provision which it is proposed to change is that it is no longer to be a condition that the vessel in respect of which benefits are allowed shall be built by or for the taxpayer and, as the minister himself pointed out, this has to be done by extending the benefits of the act to vessels built by a shipyard for sale to any purchaser. There is, however, a restriction which has been added in regard to this benefit which did not appear in the bill which I presented at the earlier session this year, and I would hope that when the bill is considered in the standing committee we might have the opportunity of going into this restriction to see whether or not a useful purpose will be served by leaving it in or whether it might be more advantageous to make some other provision with a somewhat similar object in mind.

Quite obviously the taxpayer should not be entitled to depreciate the same vessel twice, but I am not sure that the proviso to which I am referring does not prevent the taxpayer from obtaining full depreciation at the accelerated rate and I am not perfectly certain with respect to the benefits which would otherwise accrue to a taxpayer owning a vessel of the kind qualifying for these benefits, whether that taxpayer should be precluded from passing on the same advantages to someone to whom he might sell that vessel. However, that is rather a technical question and perhaps not at all appropriate to discuss on the second reading of this bill, when of course we are concerned with its principle.

The third change is to extend the operation of subsection (1) of section 4 in the present act, as the minister said, so as to include any vessel whatsoever, instead of limiting its operation to those vessels in respect of which some form of special depreciation or capital cost allowance had been granted in the past.

In that connection I would like to recall what I think was a fairly simple explanation which I gave to the house when the estimates of the Department of Transport were under consideration on August 10, 1956. I would like to quote from what I said on page 7406 of *Hansard* as follows:

> Further modifications will also be brought about in the realm of capital cost allowances. At present, for income tax purposes, it is compulsory to pool vessels that have an exemption from recapture of depreciation, under section 4 of the Canadian Vessel Construction Assistance Act, with other vessels that do not benefit from this exemption. Consequently, when the owner disposes of some or all of the vessels so pooled, his exemption can readily become dependent upon the order in which they are sold. Broadly speaking, if the qualified ships are sold earlier and the unqualified ships later, the sale of the qualified ships may serve to wipe out the undepreciated value of the class. This situation could be remedied by permitting an owner, if he so elects, to treat as a separate prescribed class any vessel or vessels that qualify under section 4 of the act; that is, a vessel the proceeds of sale of which had been used for replacement under conditions satisfactory to the commission.

Of course, Mr. Speaker, in referring to the commission there I was referring to the Canadian maritime commission. I am sure hon. members will agree that the question of whether or not the benefits of the act should or should not accrue, ought not to be dependent upon the order in which the taxpayer disposes of his vessels, and if this is the law it would seem to be an anomaly which ought to be corrected, and that, of course, is the purpose of the third change to which I referred a moment ago.

The fourth change is to allow the Canadian maritime commission, where the replacement of a vessel has not been undertaken but is foreseen, to certify that it holds on deposit or by way of guarantee an amount at least equal to the tax that is paid. This will allow the benefits of the act to be recovered during an interim period instead of requiring payment of the tax and the subsequent reimbursement of it. I think the minister's explanation on this point was perfectly clear that when an owner disposes of his ship the question arises as to whether or not there is to be recapture of the depreciation which he has set up during the time he has owned and operated the vessel, and I think it is desirable that this question could be disposed of finally at that time and the determination not held over until perhaps some much later date when the funds in question are used for the replacement of the vessel, that is to say at the time of the completion of the operation by which the old vessel is replaced by a modern replacement.

As I said earlier, Mr. Speaker, this is legislation which we in this party might well have dealt with earlier this year had the time available been long enough and I do not think, despite the complexity of the language of the bill, it is controversial. Therefore, so far as we are concerned, it is our intention to support the second reading.

Mr. H. E. Smith (Simcoe North): Some hon. members may wonder why a member from a central Ontario riding is speaking in support of a bill dealing with the construction of ocean going vessels. In Collingwood on Georgian bay is one of the finest and most efficient shipyards in all Canada. There are presently employed in those yards between seven and nine hundred highly skilled shipbuilders. That these yards have been able to keep busy with the little governmental aid they have received is indeed a tribute to both the workers and management. In anticipation of the opening of the St. Lawrence seaway, ships are now being built there which will sail both the Atlantic and Pacific coasts of Canada. The passage of this bill means that Canadian shipbuilding will be able to compete with regard to all the shipbuilding needs of Canadian owners wherever ships may be used.

It has not been the policy of the Canadian government to subsidize the building of Canadian merchant shipping, yet in times of need the shipbuilding industry and the shipbuilders are absolutely vital to the security of our country. In Canada we have seen since the end of the second world war many of our great lakes yards virtually disappear. Certainly their work forces are scattered forever. If this bill brings only one ship to the great lakes yards it will be worth while, but I am sure it will mean many new ships for all Canadian shipyards. Without it there is no incentive for Canadian ship owners to build their ships in Canada when the prime cost of ships in foreign yards is as much as 50 per cent less than in Canadian yards.

This act is not a subsidy. It merely permits the owner to write off the cost against earnings at an accelerated rate. As soon as the cost is written off in a minimum of three years the ship will still have many years of earning taxable income for the owners.

This bill ought to commend itself to all hon. members who consider the shipbuilding industry important to our national maturity and to our national security.

Mr. R. J. McCleave (Halifax): Mr. Speaker, I can take part in this debate not only as a member for a constituency in which there are large shipyards, but also as one who represents a riches to rags story as far as shipbuilding is concerned, for my great,

great grandfather built 75 vessels in the balmy days of sailing ships while I could not even patch a canoe.

I think there is no more vulnerable point in our national life than foreign competition in the shipping and allied industries. An outstanding example of this is with us today, namely the problem of Canadian National Steamships. I am happy to see this act come before parliament at this time, for revision. I think it is a hopeful sign that with all the emergency legislation we have to consider before we get out of here at Christmas, New Year's Day or St. Valentine's Day—

Mr. Stick: Why not make it Easter while you are at it?

Mr. McCleave: —the government should be able to find time for this measure, and I hope the hon. minister who heads the Department of Transport will continually keep a vigilant eye upon this act to see that it accomplishes what it sets out to do.

Mr. C. W. Carter (Burin-Burgeo): Coming from a province that is surrounded by water we are naturally interested in anything which is done to encourage shipbuilding in Canada. The very life of our province depends, of course, on what is brought in by sea.

The purpose of this legislation, as stated by the minister, is to retain the pool of skills which we have built up, and which we might need in an emergency. We want, also, to encourage shipbuilding in Canada. I have some doubt whether this bill in its present form is going to be of very much use in that respect as far as the province of Newfoundland is concerned. The bill does not specify to what size ships this legislation will apply, or whether it will apply only to coastal vessels, or whether it will apply equally to fishing vessels. I should like the minister to clear this matter up.

My own opinion is that if we are going to encourage shipbuilding in Canada we have to meet two problems. The first is the exorbitant capital cost of construction. As the minister said, a ship built in Canada costs 50 per cent more than the same ship built in the United Kingdom. I think he could have gone on to say that it would cost twice as much as a similar one built in Japan or in another part of the world.

If we are going to meet that competition and encourage shipbuilding in Canada, the best way of doing that is to increase our bounty system and extend the bounty system we have for fishing ships. I think this legislation would be best applied to operating costs, which are our second problem inasmuch as operating costs are geared to our standard of living, which makes it impossible for us to compete with ships of foreign registry. I should like to see more attention paid to the bounty system, and this legislation restricted to operating costs. I think we could do something more by way of amending some other legislation under the Canada Shipping Act which would permit us to lower capital costs by bringing in secondhand ships at very reasonable cost for use in our fishing industry and coastal trade.

(Translation):

Mr. Maurice Bourget (Levis): Mr. Speaker, I merely want to add a few words to the remarks of my colleagues.

As the representative of a riding whose chief industry is the building and repair of ships, I am keenly interested in any legislation affecting this particular industry. I had the opportunity to sit in this house during the last war, and I did note how much it cost the government to organize its navy and merchant marine.

I believe legislation such as this should command the approval of every hon. member in this house, because I think it is designed to help an industry which is of primary importance for the country's defence and economy. I hope the minister will continue to assist this industry, in the same manner as it was helped by the former government, as it is essential to our national economy and, more particularly to those ridings depending on it for their existence.

I also hope that before long we will hear the government announce the creation of that famous merchant navy advocated by the Conservatives when they were sitting on the opposition benches.

Again, Mr. Speaker, I want to say that I will support this or any other legislation tending to assist shipbuilding and repair in our country.

(Text):

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

AMENDMENTS TO PROVIDE FOR CONVERSION OF CAPITAL STOCK COMPANIES INTO MUTUAL COMPANIES, ETC.

Hon. Donald M. Fleming (Minister of Finance) moved the second reading of Bill No. 169, to amend the Canadian and British Insurance Companies Act.

He said: Mr. Speaker, although this bill appears to have some formidable provisions in it, its intent is quite simple and it is proposed, if the house is pleased to give the

bill a second reading, to have the measure then referred to the standing committee on banking and commerce where a thorough review can be made of the clauses of the bill and where the superintendent of insurance and any other officials whose presence is desired will be available to discuss the terms in detail.

The policies and practices of Canadian life insurance companies cut deeply across the Canadian economic structure and the welfare of a great multitude of people in Canada. The contracts of life companies are generally made for long terms, involving the future welfare of both policyholders and their dependants. Moreover, most companies have grown enormously during the last decade. Consequently the question of their ownership and control is of serious concern and importance to almost every Canadian.

Life insurance companies are organized either on the mutual basis, without share capital, or on the joint stock basis. Mutual companies are, of course, owned entirely by their policyholders. The great majority of Canadian life companies are joint stock companies but practically all of them issue policies on the participating plan as well as on the non-participating plan. A participating policyholder pays relatively higher premiums but is entitled to participate in the profits of the company from its participating business. As a consequence, the holders of participating policies have a very real interest in the management of the company, an interest going substantially beyond the security of their policies alone. This is recognized in the insurance act by giving participating policyholders the right to attend and vote, either in person or by proxy, at all general meetings of the company and by giving them representation on the board of directors to the extent of at least one-third of the board.

Over the years participating insurance has proved to be the more popular plan in Canada, with the result that most of the life business is transacted on this plan. From this point of view, therefore, it may be said that a well-established life insurance company having a large volume of participating insurance in force, even though organized on the joint stock basis, is to some extent already a mutual company.

The capital stock of a relatively mature life insurance company is usually quite small in comparison with the total funds of the company and its total liabilities. The capital serves a most important purpose in launching a company and in providing protection to the policyholders during the early years. However, as a company grows, the capital becomes less and less important so far as protection to the policyholders is concerned. This is not to say, of course, that the shareholders are not entitled to the profits resulting from the development of a successful enterprise, or to minimize the value of a proprietary interest in most businesses. In the field of life insurance, both mutual companies and stock companies have their advantages and their disadvantages. Nevertheless, the diminishing role of the capital must be mentioned to point up the fact that the principal strength of a well-established life insurance company lies in the funds accumulated from the premiums paid by its policyholders, especially the participating policyholders, rather than in the capital stock.

From what I have said I think that it can readily be seen that the policyholders' interests in every Canadian life insurance company, whether it be a mutual company or a stock company, are very substantial, and that it may properly be stated that as the companies grow they all tend to become policyholder organizations to an increasing extent.

In recent years a high degree of interest has been displayed in the shares of Canadian stock life insurance companies, and in the case of some companies the price of the shares has risen to levels that scarcely seem justifiable in the light of the dividends being paid and the earnings of the companies. For the most part, our Canadian companies have been built by Canadians with Canadian capital, and the good management and public responsibility shown by the shareholders have been a credit to the industry. Policyholders have been treated fairly and the profits withdrawn by shareholders have not in any case been so large as to suggest that the interests of the policyholders have been affected to their detriment. The companies have at the same time gained an enviable record for reliability. With a new body of shareholders, however, coming into ownership of shares at the very high prices that have been in evidence in recent years it is less certain that past management practices will be continued in every instance.

There has also been great interest manifested in recent years in obtaining control of Canadian life insurance companies, particularly among foreign investors. Prior to 1930, all Canadian life insurance companies were controlled in Canada. About 1930, control of the Montreal Life Insurance Company, head office, Montreal, was acquired by an English insurance company. No other change occurred until 1955 but, since then, control of six Canadian life companies has been acquired

by interests outside of Canada. In 1955 control of the Continental Life Insurance Company, head office, Toronto, was acquired by a Swiss insurance company. In the same year, the Canadian Premier Life Insurance Company, head office, Winnipeg, was incorporated by parliament to take over an existing fraternal benefit society, the Dominion General Benefit Association, and the new company was capitalized entirely by another Swiss insurance company. Early in 1956, control of the Western Life Assurance Company, head office, Hamilton, was acquired by certain United States investors; and later that year, control of the Commercial Life Assurance Company, head office, Toronto, was acquired by Dutch insurance interests. Although most of these companies were quite old, they were relatively small companies.

Early in 1957, control of a much larger company, the Dominion Life Assurance Company, head office, Waterloo, was acquired by a large United States insurance company. More recently still, in June last, control of the Fidelity Life Assurance Company, head office, Regina, was acquired by British insurance interests. I am sure the house is aware of the fact that in at least one other conspicuous case control of the stock of the company nearly passed out of Canadian hands not very long ago.

By reason of the small capital in relation to the aggregate funds of many companies, control of a very large organization may sometimes be obtained through comparatively small outlays in the purchase of shares. These surrounding circumstances, which have been the subject of comments from time to time in the reports of the superintendent of insurance, have led some companies to feel that the best course for their future, including the welfare of their policyholders, would be to purchase their own shares, eventually retiring their entire capital stock and so becoming mutual companies. This course has been followed with outstanding success by some of the largest companies in the United States, notably the Metropolitan Life Insurance Company and the Prudential Insurance Company of America.

Mr. Speaker, if it meets with the approval of the house I think I could finish this statement in two or three minutes.

Some hon. Members: Agreed.

Mr. Fleming: Whatever the means may be, it seems desirable that control of Canadian life insurance companies should remain in good hands, and preferably Canadian hands. I am sure that this view is shared by all members of the house. After all, the life insurance business in Canada as represented by the Canadian life insurance companies is peculiarly a Canadian institution.

The main purpose of this bill is to authorize a procedure whereby a stock life insurance company incorporated by parliament may be converted into a mutual company, if the shareholders and participating policyholders of the company wish to follow this course and if the company is in a financial position to do so. The insurance laws of several of the states of the United States of America include provisions of this kind but our own act has not contained such a provision hitherto.

Under the procedure set forth in the bill, mutualization would be effected through the purchase of its own shares by the company and the cancellation of the shares when all of them have been acquired. Appropriate safeguards have been included to ensure that no company will start on this path unless it has the financial resources to carry the plan through to completion within a reasonable period and to ensure that the shareholders will be treated fairly and the interests of the policyholders will be protected.

Some companies may not wish to mutualize but may, nevertheless, wish to retain their Canadian character in so far as they can. In order to assist them to do so the bill would empower the board of directors of a life insurance company incorporated by parliament to refuse to allow the transfer of shares from Canadian hands to non-Canadian hands. This would be a discretionary power resting with the directors to use or not as they might see fit. However, this power would not apply to enable the directors to prohibit transfers from one non-Canadian shareholder to another. In that respect we are taking nothing away from the rights of any existing shareholder residing outside Canada. In some respects this power is similar to the power already conferred upon the directors by the Insurance Act whereby they may refuse to allow the transfer of any shares that are not fully paid.

The bill would also require that the majority of the entire board of directors of every company incorporated by parliament, whether a mutual company or a stock company, and whether a life insurance company or any other kind of insurance company, must at all times be Canadian citizens resident in Canada. The insurance act now requires that a majority of the directors representing shareholders must be Canadian citizens resident in Canada but no provision is made for mutual companies or as respects the entire boards of companies having policyholders' directors as well as shareholders' directors.

The other point dealt with in the bill relates to fraternal benefit societies. At the

present time, a fraternal benefit society insuring the dependent children of members is required to account for this insurance in a completely separate fund. This requirement was established many years ago at a time when societies were smaller than they are now and generally less experienced in insurance matters, particularly in the insurance of children. Under existing circumstances, there is no longer a need for this requirement and societies have been pressing to have the requirement removed so that they may simplify their accounting methods and also reduce their expenses.

Accordingly, the bill would remove the mandatory requirement that juvenile insurance must be accounted for in a separate fund and would enable fraternal societies to merge the juvenile insurance with similar kinds of adult insurance if they wish to do so. However, societies would still be empowered to maintain a separate fund for juvenile insurance if they so desire.

May I remind the house, Mr. Speaker, that if the house is pleased to give the bill second reading it is the intention to propose that it be then referred to the standing committee on banking and commerce.

On motion of Mr. Benidickson the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Marler: What business will we be taking up tomorrow?

Mr. Green: Tomorrow we shall commence with interim supply and then go on with the bill to amend the Canadian and British Insurance Companies Act, debate on which has just been adjourned by the hon. member for Kenora-Rainy River. Then we will take the resolution to introduce a measure to amend the Exports Credits Insurance Act, then the resolution to introduce a measure to amend the National Housing Act. The hon. member for Assiniboia will be glad to hear that we will then take the resolution providing for guaranteed prices for agricultural commodities, then the resolution preceding a bill to provide for a loan to the province of New Brunswick. After that we will take the estimates of the Department of Trade and Commerce.

Mr. Knowles (Winnipeg North Centre): Could the minister give us a little more information about the remainder of the week? I ask this question particularly in view of the statement made earlier today by the Minister of Finance that he hoped his estimates would be considered before the end of the week. Can the minister say what estimates will be dealt with on Thursday, Friday and Saturday?

Mr. Green: I do not want to be held down to the information I give this evening because I am not certain. I think that on Thursday we will take the estimates of the Department of National Defence and on Friday those of the Department of Finance. I am not sure what we will take on Saturday.

Mr. Marler: The all-star game.

It being six 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, ATLANTIC PROVINCES

Question No. 247—**Mr. MacEachen:**

1. How many were registered as unemployed in (a) the province of Nova Scotia; (b) the Atlantic provinces, on or about November 7, 1957?
2. What were the figures for the same period one year ago?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. The number of persons registered for employment at local offices of the unemployment insurance commission in the province of Nova Scotia on November 7, 1957, was 13,132; in the Atlantic provinces the figure was 37,128.

2. The number of persons registered for employment at local offices of the unemployment insurance commission in the province of Nova Scotia on November 8, 1956, was 8,554; in the Atlantic provinces the figure was 22,488.

OPENING OF FEDERAL BUILDING, CHETICAMP, N.S.

Question No. 249—**Mr. MacEachen:**

When is it proposed to have the official opening of the new federal building at Cheticamp, Nova Scotia?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

The date has not yet been decided upon.

HOUSE OF COMMONS

Wednesday, December 4, 1957

The house met at eleven o'clock.

PRIVILEGE

MR. BROWN (ESSEX WEST)—REQUEST FOR MEETING WITH PRIME MINISTER ON UNEMPLOYMENT

Mr. D. F. Brown (Essex West): Mr. Speaker, I rise on a question of privilege. Yesterday, December 3, at page 1775 of *Hansard* there is recorded a question which I addressed to the Prime Minister. I asked that the parliamentary assistant take it as notice. I will not bore the house with the full question, but I shall refer to the pertinent parts. They are as follows:

> Has the Prime Minister received a letter from the city clerk of Windsor, acting on behalf of the metropolitan committee . . . requesting an appointment to meet with him and the Minister of National Health and Welfare and the Minister of Public Works? . . . Was the Prime Minister advised of my telephone request of November 28 to his secretary attempting to arrange such an interview? . . . has the Prime Minister had drawn to his attention my letter to him dated November 28, requesting such an interview by the committee? If so, would he kindly indicate when he may meet with this committee?

On the same page there is a reply by the Minister of Public Works, who said:

> Mr. Speaker, I do not know whether I am supposed to answer that question as parliamentary assistant to the Prime Minister, as Minister of Public Works or in what capacity, but I understand that the answer has gone out and it has been suggested that the delegation should meet the Prime Minister next Wednesday.

This morning I was in receipt of a letter from the Minister of National Health and Welfare stating that he had arranged a meeting for 4 p.m. Wednesday next, December 11, at which his colleague the Minister of Public Works had agreed to be in attendance.

This morning I also received a telephone call from someone purporting to be from the Prime Minister's office, stating there was a doubt that the Prime Minister would receive the delegation requested.

Is it, therefore, not the intention of the Prime Minister to receive the delegation dealing with a matter of vital national importance to all municipalities in Ontario, namely the unemployment situation and the assistance to municipalities in taking care of unemployed employables; and is it not the intention of the Prime Minister to respond to my letter of November 28?

Mr. Speaker: Order. The hon. member has not raised any question of privilege, in my opinion. He might more properly have brought the matter up in a question before the orders of the day are called. Does the hon. member consider there is a question of privilege in the facts he has suggested?

Mr. Brown (Essex West): Yes, Mr. Speaker; there is definitely a question of privilege because I was told by the Minister of Public Works that the Prime Minister would meet with us next Wednesday, and I have received a letter from the Minister of National Health and Welfare stating that that is not so.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I just returned a moment ago and I had no advance notice of this matter. But let me tell my hon. friend that any message he may have received from somebody purporting to be somebody saying that it was not my intention to meet with the delegation, as I understand it, on December 11 is incorrect. What the question of privilege is I am sure I do not know, but certainly I am available at any time, and the date has been fixed.

Mr. Brown (Essex West): Mr. Speaker,—

Mr. Speaker: I do not think this discussion should be continued. It was not, in my opinion, a question of privilege and should not have been raised at this time.

STARRED QUESTION

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. Diefenbaker: Stand.

Mr. Benidickson: This question has been on the order paper for some time. I would appreciate it if the Prime Minister could soon deal with it, unless I am to take it that the lack of reference to this subject on Monday when the Prime Minister outlined forthcoming legislation during this session is the answer to this question.

Motions for Papers

MOTIONS FOR PAPERS

CAMPBELLTON, N.B.-CROSS POINT, QUE. BRIDGE

Motion No. 40—**Mr. Robichaud:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and the government of the province of Quebec, since January 1, 1953 to date, in connection with the proposed construction of a bridge across the Restigouche river from Campbellton, New Brunswick, to the village of Cross Point, Quebec.

Hon. Howard C. Green (Minister of Public Works): This is perfectly all right, Mr. Speaker, subject to the usual reservation that the government of the province of Quebec has no objections.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the reservation stated by the Minister of Public Works?

Motion agreed to.

HARRIS BUSH—DISMISSAL

Motion No. 41—**Mr. Kirk:**

For a copy of all letters, telegrams and other documents received or sent since June 21, 1957, by the Minister of Public Works or any other minister, or any official of the Department of Public Works or other government departments concerning the release or dismissal of Harris Bush from the position of foreman of repairs on Middle Island wharf, LaHave islands, Lunenburg county, Nova Scotia.

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, this is satisfactory, subject to the reservation that documents passing within the department or from one department to another are not to be produced.

Motion agreed to.

JOHN MACDONALD—DISMISSAL

Motion No. 42—**Mr. MacEachen:**

For a copy of all letters, telegrams and other documents received or sent, since June 21, 1957, by the Minister of Public Works or any other minister or any official of the Department of Public Works or other government departments, concerning the dismissal of John MacDonald, inspector of repairs to the wharf at Cribbin's point, Antigonish county, Nova Scotia.

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, here again there will be the same reservation in regard to documents passing within the department or between one department and another.

Motion agreed to.

UNION STEAMSHIPS LIMITED

Motion No. 43—**Mr. Hahn:**

For a copy of contract or agreement between the Union Steamships Limited and the government relating to the application for and receipt of a subvention as included in the estimates for the year ending March 31, 1957, item No. 496.

[Mr. Benidickson.]

Hon. George H. Hees (Minister of Transport): There is no objection to making available the terms of the contract under which a subsidy is paid to Union Steamships Limited for the provision of certain coastal shipping services in British Columbia, but the hon. member will appreciate that the general practice of making copies of all departmental contracts available for circulation would involve a very heavy stenographic burden in view of the many hundreds of contracts and agreements entered into by the department over the year.

In the circumstances, I wonder if the hon. member would be willing to review the copy of the contract which is available on the departmental files of the maritime commission rather than have it copied and tabled. If so, I should be glad to make arrangements accordingly.

Mr. Hahn: Mr. Speaker, I will be glad to take advantage of the offer.

Mr. Sinclair: Bring your tape recorder along, too.

Mr. Speaker: With the consent of the house I take it this motion may be withdrawn.

Some hon. Members: Agreed.

Motion withdrawn.

AGRICULTURE

BUTTER AND EGGS—QUANTITIES STORED BY AGRICULTURAL PRICES SUPPORT BOARD

On the orders of the day:

Right Hon. J. G. Gardiner (Melville): Mr. Speaker, may I address a question to the Minister of Agriculture, of which I have given him notice. If he has not had time to obtain the information he may, however, take this question as notice. How many pounds of butter had the agricultural prices support board in store on December 1, 1955, 1956 and 1957? How many cases of eggs had the agricultural prices support board in store on December 1, 1955, 1956 and 1957?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I received the right hon. gentleman's notice just before coming into the house. I have not had time to get these figures. I would suggest to him, however, that this is a question which really might more properly be put on the order paper, though I will be delighted to get the figures for him and give them to him tomorrow if he wishes.

Mr. Gardiner: Thank you.

TRADE

MISSION TO UNITED KINGDOM—REPORTED REFUSAL OF CANADIAN OFFERS

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): I would like to address a question to the Minister of Trade and Commerce based on a story in this morning's *Gazette* with a Glasgow dateline, to the effect that business offered by the Canadian trade commission has been refused by the British shipbuilders because of a five-year backlog of business. My question is this. Have other British manufacturers refused offers from his trade commission because of the high level of employment now fortunately enjoyed in Great Britain?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I am not sure about any refusal of orders which might have been suggested by members of the trade mission now in England and Scotland. I am quite aware of the fact that in some British industries there are very substantial orders waiting to be filled, but whether or not that has affected any of the plans of our Canadians I do not know.

MISSION TO UNITED KINGDOM—ASSISTANT DEPUTY MINISTER OF DEFENCE PRODUCTION

On the orders of the day:

Mr. W. A. Tucker (Rosthern): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. The answer given by him on December 2 in reply to a question shows Mr. G. W. Hunter, assistant deputy minister, Department of Defence Production, listed with a buying classification comprising engineering, lumbering, fishing, textile manufacture, flour milling and consulting.

The list supplied by the minister then shows another heading, "Civil servants", setting out the names of various gentlemen who are apparently members of the delegation, people listed as civil servants but who are not in a buying classification. Is there any reason for listing the assistant deputy minister, Department of Defence Production, as a member of the mission rather than as a civil servant?

Hon. Gordon Churchill (Minister of Trade and Commerce): Where does this information appear?

Mr. Tucker: At page 1759 of *Hansard* of December 2.

Mr. Churchill: Mr. Speaker, I do not think there is any particular significance attached to that.

Inquiries of the Ministry

Mr. Tucker: May I ask a supplementary question. Mr. Hunter is listed as having a buying classification. Does he have instructions to buy? For what reason is he in the delegation?

Hon. Howard C. Green (Acting Minister of Defence Production): Mr. Speaker, Mr. Hunter is one of the two assistant deputy ministers of the Department of Defence Production. I do not know how he came to be shown in this return as a buyer. He is with the mission in his capacity as a civil servant.

Mr. McIlraith: He heads the biggest buying department in the government.

Mr. Tucker: Mr. Speaker, I was not clear in regard to the answer I received from the Minister of Trade and Commerce and the leader of the house to my question in regard to the trade mission. The question was:

> What are the names, business addresses and classifications of representatives chosen to form the Canadian trade delegation now in Great Britain?

The answer gives as a member of the trade commission the assistant deputy minister, Department of Defence Production, Ottawa. Ottawa is given as his business address, and his classification is listed as engineering, including lumbering, fishing, textile manufacture, flour milling and consulting. This is the answer given by the Minister of Trade and Commerce. The assistant deputy minister of defence production was an actual member of this trade mission whose purpose, we understand, is to buy or place orders in the United Kingdom. I wish to know what orders he was instructed to place in the United Kingdom under the heading of engineering, lumbering, fishing, textile manufacture and flour milling?

Mr. Churchill: I think it is an error in printing.

Mr. Green: What page?

Mr. Tucker: Page 1759 of *Hansard*. His is the fifth name on that page.

Mr. Green: Yes. Mr. Speaker, the assistant deputy minister of defence production has no authority whatever to place buying orders. He is simply a member of the mission. I do not know how he came to be put down here as a buyer.

Hon. Jean Lesage (Montmagny-L'Islet): On the same subject, Mr. Speaker, I would like to ask this question of the Minister of Trade and Commerce. It has to do with the same list of members of the delegation and their buying classifications. I have noticed that 15 members of the delegation are interested in purchasing textile goods in Great Britain. Following up the question put by the hon.

member for Coast-Capilano, I should like to know whether it is not a fact that there is full employment in the textile mills in Great Britain, in sharp contrast with what is happening here in Canada?

Mr. Sinclair: What are they buying?

Mr. Churchill: I have just now been looking at the buying classification of the people on the mission, and I think—

Mr. Lesage: It is your list.

Mr. Churchill: This is the first time I have seen it.

Mr. Sinclair: It is your answer. It was given under your name.

Mr. Churchill: It was given under my name, and I regret that I did not examine more closely the answer that has been produced here. This is the first time I have seen it, and the buying classification seems to me to be in error because there is certain duplication in the mention of textile manufactures, flour milling and consulting, which I am sure does not apply to some of the gentlemen mentioned. I will have the record checked and a more accurate answer produced.

Mr. Lesage: Have any textile mills been visited by the delegation?

Mr. Churchill: There may have been some, Mr. Speaker; I am not sure. The mission is free to visit any industry in the British isles. There is no limitation upon what visits they may make.

Mr. H. J. Robichaud (Gloucester): I noticed that the representative of New Brunswick on the trade delegation is a candy manufacturer. Is it the intention to import more candy into this country?

Mr. Churchill: No restrictions are placed on the members of this commission. They are a very distinguished group of businessmen, quite competent to carry on the business of their particular firms. No government restriction at all has been placed upon what they may do, what they may see or what importations may be made.

Mr. Yves Leduc (Verdun): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce, but before I do so I wish to thank him for having chosen a cousin of mine as a member of his delegation.

An hon. Member: He did not know that beforehand.

Mr. Leduc (Verdun): The gentleman in question, Mr. J. Rene Ouimet, among other products manufactures cheese. Would the minister tell us if cheese is the cause of his big smile upon his return from Glasgow? Would he also tell us if one of the purposes of sending the delegation was to buy cheese from the United Kingdom?

An hon. Member: Ask your cousin.

Mr. Churchill: I would like to say to the hon. member that his cousin is a first class member of the mission and a good representative of Canada. I have had several conversations with him, and I hope he has now recovered from the sore throat that was bothering him two days ago. I do not think I can answer the second part of the question.

MISSION TO UNITED KINGDOM—POSITIONS HELD BY SIR WILLIAM ROOTES

On the orders of the day:

Mr. D. F. Brown (Essex West): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Yesterday, December 3, I directed a question to the minister about the intention of the Canadian trade mission to take orders for British-made motor cars while on its visit to the United Kingdom. I must say that I, with all members of the house, was very pleased to find that the Minister of Trade and Commerce, heading the delegation, had been so courteously and enthusiastically received by the manufacturers in the United Kingdom, and had been guided so expertly on the tour by Sir William Rootes as host.

Since the United Kingdom derives a great part of its dollar reserves from the sale of automobiles in Canada—

Some hon. Members: Order.

Mr. Speaker: Order. I do not know how much time is needed to lay the foundation for a question, but it seems to me the hon. member should come to the point.

Mr. Brown (Essex West): I am sorry, Mr. Speaker, I thought I was paying a compliment to the Minister of Trade and Commerce. If I am permitted I will now ask my question. Is the minister aware that Sir William Edward Rootes, G.B.E., is a British motor car manufacturer, also chairman of Rootes Motors Limited, and associated companies; chairman of Singer Motors Limited; director of Humber Limited—

Some hon. Members: Order.

Mr. Speaker: Order. The question seems to me not to be of the order which are usually entertained here in accordance with the rules of practice. It is a question of general information and knowledge not within the particular responsibility or knowledge of the minister to whom the question is directed, and I must rule the question out of order.

Mr. Brown (Essex West): Mr. Speaker, I merely asked if the Minister of Trade and Commerce was aware that this man is the chairman of the various motor car companies I have named.

Some hon. Members: Order.

Mr. Speaker: I understood the question. I hope the hon. member will observe my ruling.

[*Later:*]

Mr. Brown (Essex West): Will the Minister of Trade and Commerce tell us if the trade mission included representatives of the automobile industry in Canada? If so, who were the representatives?

Mr. Bell (Saint John-Albert): Look over the list.

Mr. McIlraith: The list is not correct. The minister has repudiated his parliamentary assistant's list.

Mr. Churchill: The only incorrectness in the list, as I see it now, may be in the buying classification.

Mr. Sinclair: That is the most important part.

Mr. Churchill: There may be some misprints after some of these names. I should like to take this opportunity of thanking the hon. member for Essex West for his very complimentary remarks, which were unfortunately interrupted by some of my friends on this side. His question was declared out of order, but in any event I thank him for his kindness.

An invitation was extended to the members of the automobile industry in Canada earlier, but for various reasons the gentlemen approached were not able to join the mission.

Mr. Sinclair: We want Canadian workers to work, not British workers.

Mr. Nowlan: That is your philosophy, is it?

Mr. Sinclair: Unemployment in Canada.

Mr. Fleming: You have repudiated your leader's statement, have you?

Mr. Sinclair: I have done no such thing.

CANADIAN SURPLUS DISPOSAL PROGRAM—REQUEST FOR STATEMENT

On the orders of the day:

Mr. G. H. Castleden (Yorkton): I wish to direct a question to the Minister of Trade and Commerce. On Friday last in his absence I asked the acting minister of trade and commerce a question with regard to consideration of establishing a surplus disposal program for agricultural products in order that our surplus might more rapidly move forward to the people in the underdeveloped countries of the world, where there is urgent need for them. I wonder whether the minister would care to answer that question today.

Hon. Gordon Churchill (Minister of Trade and Commerce): I should like to thank the hon. member for drawing my attention to this question. I think it might have been stated with greater particularity.

The hon. member refers to a surplus disposal program. We are constantly selling surplus produce from this country in the markets of the world. If the hon. member has in mind a program such as that adopted in the United States, we have nothing quite similar to that; but we are taking every measure possible to dispose of our surplus produce and, in fact, negotiations are under way right now with regard to the food requirements of the needy peoples of the world.

UNITED STATES—REPORTED ADDITIONAL AMOUNT FOR SURPLUS DISPOSAL PROGRAM

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I wonder if the Minister of Finance has an answer to the question I asked yesterday as to the announcement that the United States cabinet was asking for an additional $1½ billion for surplus disposal.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, this question more properly pertains to the Department of Trade and Commerce than to the Department of Finance, and I therefore turned over my friend's written inquiry to my colleague, the Minister of Trade and Commerce, feeling he was not having enough questions to answer.

Mr. Argue: Is there any answer to the question, then? I might repeat my question, which I asked yesterday. Has a news report been brought to the attention of the minister that the United States cabinet is proposing that congress supply another $1½ billion for disposal of surplus agricultural products in the coming year?

Can the minister comment on this disturbing report, and what is the answer in the light of the consultations held between members of the Canadian government and the United States government some time ago?

Hon. Gordon Churchill (Minister of Trade and Commerce): This came to me only yesterday, Mr. Speaker, and without further information I do not see that it will necessarily interfere with any assurances given to us by the cabinet in Washington. A large part

of the surplus disposal program of the United States has been to assist needy people in the world who are not normally consumers of flour and do not use our wheat. Therefore I do not think that would interfere with any of our wheat export business.

Mr. Argue: Then may I ask a supplementary question. Is the Canadian government considering any extensive program to help the needy people of the world in the same way as the United States government has done?

Mr. Churchill: Mr. Speaker, we are just as concerned with the needs of such people in the world and perhaps just as well informed as are the United States government or my hon. friend, and we are now considering a program to assist them.

Mr. Argue: Has the government considered a program in addition to the 2 per cent increase under the provisions of the Colombo plan?

Mr. Churchill: Yes, Mr. Speaker.

VETERANS AFFAIRS

ADMISSION OF NEEDY EX-SERVICEMEN TO DEPARTMENTAL HOSPITALS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, this is a painful business for me, putting a friend on the spot. However, duty demands I direct a question to the Minister of Veterans Affairs.

My question is based on a letter I received yesterday. Has the minister received letters from veterans, including one named Brooks, complaining of the fact that while immigrants and in some cases United States personnel are admitted to Shaughnessy hospital, certain veterans are denied admission?

Can the minister assure the house that no needy veterans requiring treatment will be denied admission to departmental hospitals?

Hon. A. J. Brooks (Minister of Veterans Affairs): I received the hon. member's question just as I was entering the house. I can assure him there is nothing painful about it at all. I should like to take it as notice, and I will give the hon. member a reply tomorrow.

WATER POLLUTION

RECOMMENDATIONS OF INTERNATIONAL JOINT COMMISSION RESPECTING BOUNDARY WATERS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister. Can the Prime Minister tell the house whether the recommendations of the international joint commission concerning the pollution of boundary waters upstream from the international boundary line under various terms of reference have been carried out, and whether the government will consider extending these terms to cover the St. Lawrence river downstream to Montreal, particularly in lake St. Louis, where the discharge of sewage and industrial waste is rendering that lake a danger to the health of persons residing on its shores?

I understand, Mr. Speaker, that while I directed the question to the Prime Minister it falls under the jurisdiction of the Secretary of State for External Affairs.

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, I accept the question as Secretary of State for External Affairs, and I appreciate the courtesy of the hon. member in sending to me a copy of this question this morning.

My answer is that the recommendations of the international joint commission concerning the pollution of boundary waters under the various terms of reference have been accepted by the governments of both the United States and Canada. A good deal of progress has been made toward the implementing of the necessary corrective measures. As my hon. friend no doubt appreciates, the control of water pollution is a continuing process.

With respect to the second part of the question, the terms of reference of the international joint commission could not be extended to cover the St. Lawrence downstream to Montreal including lake St. Louis, as it lies entirely within Canadian territory.

Mr. Chevrier: Mr. Speaker, may I ask a supplementary question and say that the international joint commission has already referred to the St. Lawrence river joint board of engineers a question concerning pollution, turbidity and water levels in that part of the St. Lawrence which is purely in Canadian territory. I now ask the Secretary of State for External Affairs if he will not request the international joint commission to refer the pollution of waters in lake St. Louis to the commission in the same manner as the complaint concerning lake St. Francis was referred to the commission?

[*Later:*]

Mr. Chevrier: Mr. Speaker, I wonder whether I can get an answer from the Secretary of State for External Affairs to the supplementary question I asked him.

Mr. Smith (Hastings-Frontenac): I will take it as notice, Mr. Speaker.

LABOUR CONDITIONS

UNEMPLOYMENT—REPOSSESSION OF GOODS AND PROPERTY PURCHASED ON INSTALMENT PLAN

On the orders of the day:

Mr. C. E. Johnston (Bow River): Mr. Speaker, I would like to direct a question to the Prime Minister, notice of which I sent him this morning. For this reason he has not had it for too long. When I sent notice of the question it was my intention to enclose the newspaper report which contained the basis of my query, but I discovered later that this was not done. I have now sent to the Prime Minister the newspaper article to which I referred, and if he is not prepared to answer the question at this time he might take it as notice.

My question is based on a newspaper report relating to unemployment. The international union of mine, mill and smelter workers has apparently become very concerned over its position in regard to purchases which the unemployed may have made on the instalment plan. My question is based on that report, and it is this. As a result of the growing unemployment in Canada, and particularly in Calgary and vicinity, according to a press report, will the federal government take such steps as are appropriate to prevent foreclosures and repossessions of homes, farms and other possessions that have been purchased on the instalment plan?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. gentleman sent me the press reference in question, which appears in the Alberta *Country Life*. As a matter of fact it contains the answer to the question. It reads:

> Alberta has not had a moratorium order since the late 1930's and early 1940's, when the Aberhart administration ordered credit hold-offs to protect farms and homes.

There is no authority in the federal government under the British North America Act to bring into effect a moratorium or anything of the nature suggested in the question. This is a matter of property and civil rights and, as in the 1930's and early 1940's when the Aberhart administration acted, the responsibility still rests with provincial governments under the constitution.

NON-OPERATING RAILWAY UNIONS—REQUEST FOR CONCILIATION BOARD

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Has the government received a request to appoint a conciliation board in connection with the dispute between the non-operating employees and the major railways of this country? If so, is this request being met?

Hon. Michael Starr (Minister of Labour): Yes, the government has received a request to appoint a conciliation board. The regular procedure for the establishment of this board is being followed.

Mr. Knowles (Winnipeg North Centre): Is the hon. gentleman yet in a position to indicate who will compose the board?

Mr. Starr: No. This necessitates the appointment of a representative of the employees, a representative of the employers, and a chairman to be appointed by the government. That has not as yet been settled.

CANADIAN PACIFIC RAILWAY—INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): May I ask the Minister of Labour whether he has yet received the report from the royal commission on the dispute between the C.P.R. and the diesel firemen, which he suggested on October 15 he expected would be available toward the end of November?

Hon. Michael Starr (Minister of Labour): No, I have not received that report.

Mr. Benidickson: Would the minister inquire and find out when the report might be forthcoming?

Mr. Starr: I am continually inquiring about this matter, but as yet the report has not been submitted.

BRITISH COLUMBIA—REPORTED CLOSING DOWN OF HOWE SOUND COMPANY

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I should like to direct a question to the Prime Minister. Has any firm agreement been arrived at with the directors of the Howe Sound Copper Company to keep the Britannia mine in operation? If so, would the Prime Minister explain the terms of the agreement? I regret that I did not send him notice of the question.

Right Hon. J. G. Diefenbaker (Prime Minister): I have not that information. I think the Minister of Justice is the appropriate minister to whom to direct the question.

Mr. Hahn: Then I direct the question to the Minister of Justice.

Hon. E. D. Fulton (Minister of Justice): I regret that my attention was directed elsewhere while the hon. gentleman was asking his question. I apologize. If he would repeat the question I will try to answer it.

Inquiries of the Ministry

Mr. Hahn: Has any firm agreement been arrived at with the directors of the Howe Sound Copper Company to keep the Britannia mine in operation? If so, would the minister explain the terms of the agreement?

Mr. Fulton: No, Mr. Speaker; no agreement has yet been arrived at. My last conversation with them was yesterday afternoon. As yet I have not had the opportunity to report to my colleagues, but I will be doing so as soon as possible.

HEALTH INSURANCE

TREATMENT OF MENTAL AND TUBERCULAR PATIENTS

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Prime Minister. As a result of representations made by the provinces at the recent conference, can the Prime Minister say what further consideration has been given to bringing t.b. sanatoria and mental hospitals under the provisions of the hospital insurance scheme? Can he say whether or not the provisions of the act will be made to apply at an early date? Can he assure the house that despite the fact such amendments were not listed in the statement of legislation still to be presented to the house, this does not close the door to these worth-while amendments being introduced this year?

Right Hon. J. G. Diefenbaker (Prime Minister): I made a reference in the house earlier to the national hospital insurance act. There will be amendments brought before the house. With regard to the particular question as to their nature, that will be revealed when the bill is introduced.

Mr. Argue: May I ask a supplementary question. Do I take it from the Prime Minister's answer that amendments will be brought before this session of the house?

FISHERIES

PROTECTION OF FISH IN FRASER RIVER AFTER WATER DIVERSION

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to direct a question to the Minister of Fisheries. My question is this. Has the minister studied the report of the British Columbia Engineering Company regarding the possible diversion of the waters of the Columbia river into the Fraser river, and if so can he assure the house that no action is contemplated by the government which would adversely affect Fraser river fishing?

[Mr. Fulton.]

Hon. J. A. MacLean (Minister of Fisheries): I want to say that I have not studied this particular report to which the hon. member refers, but I am reasonably familiar with the question. I can assure him that as Minister of Fisheries I will do my best to carry out my responsibilities as imposed on the Minister of Fisheries by the legislation to the effect that he shall protect the fisheries of this country.

POWER

COLUMBIA RIVER—INQUIRY AS TO FINAL ENGINEERING REPORT

On the orders of the day:

Hon. Jean Lesage (Montmagny-L'Islet): Yesterday I asked if the Minister of Northern Affairs and National Resources had received the final report of the British Columbia Engineering Company regarding the possibility of the diversion just mentioned by the hon. member for Comox-Alberni. The minister replied that the final report had been received on January 9, 1957. I had doubts about the accuracy of that reply, and yesterday I checked my notes. They confirm that what was received by the government on January 9, 1957, was the initial draft of a preliminary report. My question dealt with the final report. Has a final report been received?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I shall look into this matter and be prepared to give the hon. gentleman an answer in the near future.

POST OFFICE DEPARTMENT

STATEMENT ON DELAY IN ISSUING SUMMER UNIFORMS

On the orders of the day:

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, yesterday I was asked a question by the hon. member for St. Antoine-Westmount, which I did not hear but which appears at page 1774 of *Hansard*. Since I am anxious to give the hon. gentleman as much information as possible, and co-operate with him, I feel I should answer that question now. The hon. gentleman's question was asked at the conclusion of my statement that the previous government awarded a certain contract to a contractor who had already demonstrated unsatisfactory performance and who apparently had an especial attraction for them, the previous government. At that point the hon. member for St. Antoine-Westmount asked:

What does the hon. gentleman mean by that?

Had I heard the question I would have answered it at that moment. I meant by my remark that the officials of the Post Office Department, who had had previous experience with the contractor in question, recommended in writing to the minister on April 25, 1957, that his tender not be accepted. This recommendation resulted from their previous experience with the company, all set out in writing to the minister at that time, which indicated that deliveries of uniforms would not meet the required schedule; that concessions and alterations in specifications would be asked for after the letting of the contract; that the Post Office Department would be requested to buy overproduced uniforms when the contract was completed.

Thus, since the post office officials did not wish to do business with the company but the government did, and signified so by treasury board minute No. 517269 of May 9, 1957, which awarded the contract to the obviously unsatisfactory firm in question, I can only assume that it had a particular appeal to the government to persuade them to override the recommendation of these officials in such a technical matter. The house will recall it was this same contractor who was subsequently so late in his deliveries that summer uniforms for our postmen are still being delivered.

I may say, Mr. Speaker, I had not intended to give this detailed information to the house, but since the hon. member for St. Antoine-Westmount asked for it, I felt he should get it.

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, the comment which was made yesterday and which was made today by the Postmaster General is the kind of statement we are accustomed to getting from him.

Some hon. Members: Question.

Mr. Marler: I would ask this further question. Was the contract in question not submitted to the treasury board, and was the contractor not the lowest bidder in relation to all the bids that were received?

Mr. Hamilton (Notre Dame de Grace): Yes, there was a difference of several thousands of dollars between this and the next lowest bidder. But from time to time there have been cases where you had obviously unsatisfactory contractors. The usual practice of treasury board is to refuse contractors who have previously demonstrated their unsuitability.

Inquiries of the Ministry

NATIONAL DEFENCE

U.S.-CANADA—INQUIRY AS TO JOINT AIR DEFENCE COMMAND

On the orders of the day:

Mr. W. J. Henderson (Kingston): May I direct a question to the Minister of Justice with respect to the United States-Canada joint air defence command. Is there any further order in council dealing with this matter other than the order in council dated July 31, 1957, and the statement of the secretary of defence of the United States and the Minister of National Defence of Canada filed as sessional paper No. 183?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, the answer is in the negative.

PENSIONS

REQUEST FOR INCREASES FOR FORMER GOVERNMENT RAILWAY EMPLOYEES

On the orders of the day:

Mr. H. J. Murphy (Westmorland): I should like to direct a question to the Prime Minister. Will the Prime Minister reconsider the business of the house to allow for legislation to increase the pensions of former government railway employees, which he himself has termed totally inadequate?

Right Hon. J. G. Diefenbaker (Prime Minister): If my hon. friend did not ask so many questions of little or no importance from time to time we would get on with the business here faster.

Mr. Sinclair: Of no importance?

Mr. Murphy (Westmorland): May I ask a supplementary question. Is the Prime Minister aware that this group of men are pensioners of the old Intercolonial Railway, are small in number and a very elderly group now, and that this is a matter of urgency?

Mr. Diefenbaker: The Prime Minister is. May I say that I notice that my hon. friend during the four years of office of the last government never raised that matter by a question.

Mr. Murphy (Westmorland): Has the Prime Minister read the *Hansards* of the last four years?

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Prime Minister a supplementary question.

Mr. McIlraith: He does not like questions.

Mr. Knowles (Winnipeg North Centre): In view of the fact that over the past number of years the Prime Minister has raised this matter a number of times, do I take it from

what he said this morning that the plight of retired C.N.R. pensioners is not now an important question?

Mr. Sinclair: "Of no importance" is what he said.

Mr. Diefenbaker: The answer is that it is important.

Mr. Sinclair: Oh, you are changing it now.

Mr. Diefenbaker: And it always was important. But we have a legislative program that requires immediate attention, and it is before the house. I can tell my hon. friend this. These various matters that require attention are going to receive attention from this government with the same dispatch that we are carrying out our programs.

HOUSING

N.H.A.—PREVENTION OF FORECLOSURES ON HOMES OF UNEMPLOYED

On the orders of the day:

Mr. W. H. McMillan (Welland): I should like to address a question to the Minister of Public Works. Will the government do anything to prevent foreclosures on mortgages guaranteed under the National Housing Act in those cases where the debtors have become unemployed?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, these are mortgages which are subject to the provincial law. As the Prime Minister pointed out earlier today, the federal government has no jurisdiction in cases of that kind.

GRAIN

DECREASE IN MARKETING—REQUEST FOR DEFICIENCY PAYMENT

On the orders of the day:

Mr. W. M. Johnson (Kindersley): Mr. Speaker, last Friday I addressed a question to the acting minister of trade and commerce. I wonder whether the Minister of Trade and Commerce would be prepared to give an answer. My question as reported at page 1661 of *Hansard* was asking for an explanation from the minister as to why the farmers' marketings of grain in the prairie provinces up to November 13 were at the very low figure of 129 million bushels, which is slightly more than half the ten-year average. I asked further whether the minister was prepared to give consideration to the immediate announcement of a deficiency payment in the form of a participation payment from the treasury on last year's crop to compensate for this drastic decline in income.

[Mr. Knowles (Winnipeg North Centre).]

Hon. Gordon Churchill (Minister of Trade and Commerce): The hon. member who asked the question knows the answer to the first part of it. The elevator capacity of this country was filled prior to the taking off of the present year's crop. We recognized that fact and through cash advances made provision so that farm income would reach the producers this fall.

As to the second question about consideration of the immediate announcement of a deficiency payment in the form of a participation payment from the treasury on last year's crop, I have no answer to give at this moment. The matter has been brought to my attention on several occasions, but no decision has been reached as yet.

Mr. H. R. Argue (Assiniboia): I wonder whether I might ask a supplementary question on this point. Was the report in the Regina *Leader-Post*, when the minister was there at the time he was addressing the wheat pool convention, to the effect that in his opinion the wheat producers did not need a subsidy, an answer to the question that was asked this morning?

Mr. Churchill: My hon. friend appears to be referring to a newspaper report—

Mr. Argue: That is right.

Mr. Churchill: —which I have not seen. If he will draw it to my attention I shall be glad to deal with the question.

Mr. Argue: My question is this. Has the minister at any time, in Regina or elsewhere, made the statement that the wheat producers of this country do not require a subsidy from the national treasury?

Mr. Churchill: I have no recollection of making any such statement. I am surprised that this should appear in print and be reported as having been said by me. I was asked a series of questions at the Regina meeting, but I do not recall any question along that line at all.

Mr. Argue: I might further inform the minister that, if my memory serves me correctly, it was made to a reporter in an interview in the Saskatchewan hotel.

Mr. Speaker: Order.

Mr. H. A. Bryson (Humboldt-Melfort): I would like to address a question to the Minister of Trade and Commerce arising out of the statement he made a moment ago in answer to a question directed to him by the hon. member for Kindersley (Mr. Johnson).

The statement he made was to the effect that the cash advance legislation had been introduced by the government in an effort to

alleviate the storage problem and the question I would like to ask the minister is as follows. Is he aware that because of certain regulations, countless farmers are unable to qualify for cash advances on the acreage which they own?

Mr. Churchill: I have received no reports yet to that effect.

INQUIRY FOR RETURN

ELECTRICAL ENERGY DEVELOPMENT, N.B.-N.S.

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 and, in his absence, to the acting minister. Shall I be obliged to place another motion on the order paper in order to obtain the documents and correspondence I asked for in motion No. 17, which was approved and passed by this house on November 8 last, almost a month ago?

Hon. D. S. Harkness (Acting Minister of Northern Affairs and National Resources): I think I need not say that I know absolutely nothing about this matter and therefore cannot give any reply at this time. I will have the matter looked into and find out why there was delay, if there has been any delay, in connection with making the return.

PIPE LINES

NORTHERN ONTARIO PIPE LINE—WINTER CONSTRUCTION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I would like to address a question to the Minister of Trade and Commerce. Can the minister comment on the carrying out of his statement made in this house on November 19 last to the effect that contracts let for the Trans-Canada pipe line provided that clearing of the right of way must be commenced within two weeks of a contract award?

Hon. Gordon Churchill (Minister of Trade and Commerce): That was the information I received, Mr. Speaker. I have not the page of *Hansard* in front of me, but I indicated that the clearing had to be completed before the spring opening, which meant winter work on all that stretch of the pipe line.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I would like to ask a supplementary question of the Minister of Trade and Commerce arising out of the question put by the member for Port Arthur (Mr. Fisher). Due to the situation in northern Ontario, where a great number of bush workers are unemployed, would the minister use his offices to see that this slashing of the right of way is started immediately so it will alleviate that problem?

Mr. Churchill: Yes, Mr. Speaker.

CANADIAN NATIONAL STEAMSHIPS

GOVERNMENT POLICY RESPECTING NEGOTIATION OF LABOUR DISPUTES

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, in answer to a question put on Friday last by the hon. member for Edmonton-Strathcona (Mr. Thompson) regarding the policy of the government in the negotiation of labour disputes in so far as it refers to Canadian citizens and other than Canadian citizens, I would like to say this. The government has not found it necessary to formulate any specific policy on this question, as labour bodies choose their own representatives and negotiations must be carried on with those representatives.

IMMIGRATION

REPORTED FAILURE TO PROVIDE ASSISTANCE TO REFUGEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I would like to direct a question to the Minister of Citizenship and Immigration. Is the minister aware of a report in the recent issue of the Calgary *Albertan* to the effect that a church in the city of Calgary has had to discontinue its assistance to refugees in distress because certain money promised to that church by the immigration branch has not been forthcoming? Will the minister look into this matter and see to it that if any commitments were made they will be kept?

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): Mr. Speaker, the hon. gentleman has just sent me a copy of the press report referred to, which is the first time this matter has come to my attention. I will most certainly look into it at once, and if the facts are as reported I will straighten them out right away.

SUPPLY

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

INTERIM SUPPLY

Mr. Fleming moved:

Resolved, that a sum not exceeding $260,679,899.09, being one-twelfth of the total 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, 153, 156, 158, 248, 252, 281, 322, 324, 328, 333, 334, 335, 336, 355, 397, 399 and 460, laid before the House of Commons at the present session of parliament; and in addition thereto a sum not exceeding $50,000 being one-sixth of the amount of item 367 of the said estimates; and a sum not exceeding $1,787,853.42, being one-twelfth of the total of the amounts of items 318, 373 and 389 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, except items 626, 635 and 654, 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 amount of item 668 of the said estimates;

in addition thereto a sum not exceeding $13,474,054.84, being one-sixth 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 except items 754 and 759, laid before the House of Commons at the present session of parliament; and in addition a sum not exceeding $1,853,666.67, being one-third of the total of the amounts of items 729, 732 and 737 of the said estimates,

be granted to Her Majesty on account of the fiscal year ending March 31, 1958.

He said: Mr. Chairman, the present motion asks the house to approve a vote of interim supply in the total sum of $281,607,101.16 to provide for all necessary requirements of the public service up to December 31 excluding, of course, those for which full supply has already been granted, namely those described by the votes in the main and supplementary estimates for the Post Office Department and those votes for which eleven-twelfths have already been granted.

In no instance is the total amount of any item being released by the bill which is to be founded upon the present resolution, which is the fourth vote of interim supply. Mr. Chairman, I am sure I do not need to go back and repeat the explanations which were given to the house when the last motion of interim supply was made and debated on October 16.

I give to the house the usual undertaking that the passing of this bill will not prejudice the rights and privileges of members to criticize any item of 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 not curtailed in any manner as a result of the passing of this measure.

Broadly speaking, of the four groups of estimates already tabled in the house, three of them last spring and one further group by myself in October, the following is the way in which the present bill deals with the fractions of those votes required. With the exception of seven items of which I will make special mention, the pattern is as follows, making an exception of the main estimates of the Post Office Department and those of its supplementaries which have already been voted.

[Mr. Fleming.]

What is asked of the house by this motion is a vote of one-twelfth of all items which were set up on the basis of the full fiscal year. As to those supplementary items which were brought into effect on July 1, and which therefore apply to only nine months of the fiscal year, the request is for a grant of one-ninth of those items. As to those items which were put into effect on October 1 and which, accordingly, run for only six months of the fiscal year, the request is for a vote of one-sixth.

I mentioned seven items of a special character, four of which are in the main estimates and three in the further supplementary estimates. Six of these pertain to the Department of Public Works and one to the Department of Northern Affairs and National Resources, in the latter case in respect of work that is being done for that department by the Department of Public Works. In all seven cases these represent construction items where the work of construction has to be expedited during the construction period of the year, and accordingly the amounts are accelerated in keeping with the fact that distribution of the expenditure is not spread evenly over the full 12-month period. But, I repeat, in no case is the house by this vote being asked to vote the entire amount of any item. The amounts which will be involved in any item, even these accelerated items, will not exceed eleven-twelfths of an item; and the full rights of the house in the matter of discussion or criticism of any of these items are accordingly preserved.

Mr. Sinclair: Mr. Chairman, the members of the official opposition do not intend to impede the passage of this interim supply bill in any way. As far as the main estimates are concerned only one department, the Post Office Department, has, of course, had its estimates approved and included in an appropriation bill, and of course it is necessary for the government to have money to meet the obligations in all departments which will accrue at the end of this month.

We are, naturally, aware of the fact that there are some items for which interim supply motions have already provided a fraction of eleven-twelfths. They are spelled out here, and we are not considering them today. Some other items will also reach the

fraction of eleven-twelfths, so when we have the interim supply bill in January, if the session lasts that long, we will of course expect these, too, to be reserved unless the estimates are through by that time.

There is another point I should like to mention, the same point I made when the Minister of Finance first tabled the estimates at the beginning of the session and which the Leader of the Opposition made at the time of the first interim supply bill, a point which other members of other parties have also raised, and which I myself again refer to. That is the fact that when the Minister of Finance tabled the main estimates at the beginning of the session he took the unusual course of saying that he did not necessarily stand behind all the items. He pointed out that the main estimates had been prepared by the previous government and submitted to the house, and that the estimates of only one department had gone through before the election.

We were naturally rather surprised at that position, because the traditional position taken is that when a government submits estimates to the house it stands behind every one of the items. If later it is shown that the original estimate is not fully required, it has been the custom for the government itself to inform the house that it intends to amend that estimate. That course was not followed by the minister, on the ground that to reprint the estimates and delete the items he was not supporting would cost a considerable sum of money; I think $20,000 was the figure he mentioned.

Mr. Fleming: And there was not time.

Mr. Sinclair: Yes, and he said there was not time. I pointed out to him that we did not expect him to go to that expense and trouble. We were sure there were very few items he would change either by deleting or reducing them, and it would have been very helpful to members of the opposition especially to have had a mimeographed table which could easily have been prepared showing the items which we could not expect the government to fully support, those it intended to reduce or remove. There have been repeated requests for that sort of information. It is obvious that the Minister of Finance must have this information, because he could not have made the statement he did unless he had carefully perused every item. We did not ask for specific details of reductions, simply a list of the item numbers so we could be aware in advance whether to expect a change from the estimates we had submitted to the house.

The minister failed to give us that information, so we have had to try other ways of securing it. As each department has come before the committee the first question asked of the minister concerned was what items did he not support and whether he found the waste and extravagance about which the Minister of Finance trumpeted so loudly when he was in opposition, during the course of the election campaign and also since he assumed the ministry of finance.

Last September the first public declaration made by the Minister of Transport in his usual frank way was a statement to the effect that he had found no evidence of waste or extravagance in his well-run department. Since that time we have had the charming lady, the Secretary of State, come before us with her estimates, and she reported that she had found no waste and extravagance and that there were no reductions in her estimates. She was followed by the Minister of Mines and Technical Surveys, who repeated that statement. Then we had the very affable Minister of Veterans Affairs, who went even further. Not only did he say he found no evidence of waste and extravagance, but he added that in his opinion he did not expect to find waste and extravagance; and I commend him for that.

Mr. Brooks: If the hon. member will recall my remarks he will find that I said I did not consider money spent on veterans pensions and war veterans allowances wasted money.

Mr. Sinclair: I am sure we are all in agreement with that, but the actual statement was that the minister had found no waste and extravagance in his department. Of course not all the money in his department goes directly to disabled veterans or in the form of pensions and war veterans allowances. Some is for administration and construction. We were confident the minister would find no evidence of waste and extravagance, because those responsible for the administration of these funds are very efficient.

Mr. Brooks: I might say that the money for construction is handled by the Department of Public Works.

Mr. Sinclair: Yes. The estimates of that department will soon be before us. Following the Minister of Veterans Affairs our newcomer, the Secretary of State for External Affairs, brought his estimates before the external affairs committee, and he of course was asked the same question. He did report that with one exception there were no reductions in the estimates which had been prepared by the previous government. The one exception he mentioned was the sum of $336,000 for capital construction on our

embassies abroad. He felt this was the time to reduce that expenditure and I may say that members of the official opposition would heartily agree that in a time when there is so much need here in Canada of work to be provided by capital construction we should cut down on that type of work abroad at this particular moment. I can assure the Minister of Public Works that when he brings forward his estimates we will expect a greatly accelerated program of public works to help ease the slack in employment which is lamentably present at this time.

With regard to the remarks made by the Minister of Finance concerning the second class of items of public works, where because of the nature of the construction year there has to be a greater proportion of money available so this work can go ahead, I would suggest to the minister that he would have been very helpful in providing for intelligent discussion of these estimates if he had acceded to our extremely reasonable request to provide this list. We are beginning to realize what a short list it would have been. Here are four departments in which there has been not one item reduced or removed. It would have been very helpful if the minister had given the house the information it is entitled to receive.

It may be that because of his failure to supply this information we will have to spend a longer time on our own estimates than we would perhaps have found necessary if we had been told in advance what items were likely to be changed. Those remarks apply to the official opposition but are not applicable to the other two opposition parties, since they had no part in preparing the main estimates, so to them all estimates are strange and they naturally would require as much information as they could obtain concerning them.

It is not my intention to prolong the debate, and I shall close by saying that we recognize the need to get interim supply through so the government's bills for November can be met.

Mr. Fleming: December.

Mr. Sinclair: Pardon me; December. For this reason we do not intend to obstruct this resolution in any way.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, we recognize that this is an interim supply bill to provide the necessary cash for the month of December and although it is not our intention to prolong the debate nevertheless there are one or two matters of some urgency. Two or three of my colleagues will have something to say about those matters, since they are covered by some of the estimates a portion of which will be included in the bill to be based on this resolution. I shall not deal with those issues because they will be raised by some of my colleagues, but there are one or two comments I should like to make.

First of all I wish to support once again the plea made just now by the hon. member for Coast-Capilano that the Minister of Finance implement the statement he made when he brought down the estimates by giving us a list showing any items in the main estimates which the government does not intend to support when they are reached on the floor of the house. Thus far in the departments we have had before us there have been no reductions and no removals, and one begins to wonder what the Minister of Finance meant by the statement he made when he presented the estimates at the start of the session.

The other comment I wish to make relates to the usual undertaking the Minister of Finance gave this morning, to the effect that the passing of this interim supply bill would not interfere in any way with the rights of members to discuss the items in the main estimates when they come before us in the usual way. We appreciate the undertaking which was given in the proper way, the same undertaking that ministers of finance in the former government gave time after time. Indeed, such undertakings many times were given because they were asked for by the present Minister of Finance, by the hon. member for Greenwood or others who at that time were sitting on the opposition side of the house. My plea to the Minister of Finance is that he carry out that undertaking in spirit as well as to the letter.

The minister said these rights would not be curtailed in any way. I suggest there are various ways of imposing closure. It can be done by use of the closure rule that is in the book, and I gather that the new government will not do that. I gather, as a matter of fact, that it wants to put temptation out of the way and take the rule out of the book. However, there are other ways of imposing closure. Indeed, every time a spokesman for the government stands up and tells us that we should co-operate, that we should get the estimates through so we can deal with certain legislation; every time the business of the house is arranged in such a way that we are put in the position of having to reduce the time we devote to the estimates because there is something else we want to reach, those are ways of curtailing discussion on the main estimates.

I repeat in just a sentence or so the point I made the other day, namely that so far as

the main estimates for 1957-58 are concerned, during the whole of last session we spent on them only one hour and ten minutes. That of course excludes the estimates of the Post Office Department, which were passed and are not before us. So far as the rest of the estimates were concerned there was no consideration except for that one hour and ten minutes, and we in this group feel it is parliament's job to deal with the estimates properly.

I refer again to the remarks on this point made by the Prime Minister the last time there was an interim supply bill when the Conservatives were in opposition, which was on April 11 of this year. The Prime Minister's speech begins at page 3405 of *Hansard*. Although that was an interim supply bill to make provision for the election period, and although the Prime Minister, the then leader of the opposition, indicated his party's willingness to co-operate, he still complained that the former government was not giving an opportunity for the critical examination of the estimates that parliament should give to them. Everyone who knows the Prime Minister will recognize that these words are his. I am reading from page 3405 of *Hansard* of April 11, 1957:

> As I look back over the records of parliament when parliament was discharging its responsibility and maintaining its prestige, when estimates were carefully examined and critically condemned if improperly included among those presented, and compare that situation with the situation today, I can only say that this method of placing so many hundreds of millions of dollars of expenditure before parliament is a further insult and humiliation to this institution and to its prestige.

That was the opinion of the present Prime Minister when we had an interim supply bill before us—we have one now for many hundreds of millions of dollars, $281 million indeed—and he went on to say that merely to provide for discussion in a general way was not good enough; there had to be ample opportunity for critical examination of those estimates. Therefore I say to the Minister of Finance that he should expect from us an insistence on the keeping of his undertaking, not only so far as the letter of it is concerned but the spirit, that parliament should be given full opportunity to discuss the main estimates to the tune of $5 billion without any limitation or curtailment of any kind.

Mr. Low: Mr. Chairman, it is not our intention to attempt to hold up passage of the items involved in the interim supply bill. We realize that the government has to have the money to meet its bills during the month of December, and it will be our intention to help them get them through as quickly as possible.

We realize that quite a number of issues might be raised under the items that are mentioned in the resolution, but we do believe that if we were to attempt to debate those items now it probably would result in a repetition of debate when we have the regular estimates before us. We feel that the time to enter into a full debate is when the full departmental estimates are brought before us. For that reason it is not our intention to raise the issues now. As has already been suggested, some of them may be urgent but I do not believe they are that urgent. Consequently we look forward to a more critical examination of all the departmental estimates when they are brought before us.

The minister has given an undertaking that all our rights will be protected in full, and we believe he will see that this undertaking is properly filled. There is one point, of course, that I have to draw to my hon. friend's attention. I doubt very much whether we are going to have the fullest possible opportunity for critical examination of the departmental estimates if we continue with the present long hours of sitting after Christmas. That was the reason I moved the amendment the other day to try to limit these long hours when we are to sit in the morning, in the afternoon and in the evening six days a week for the period up to Christmas.

It is all very well for us to try to finish the business in that time, if we can, but I do not believe anybody is fooling himself for one second if he thinks we are going to be able to get through 26 items of legislation and give a critical and thorough examination to all the estimates of 16 departments before the house, and still have time for committee meetings and all the other things that have to be done in the work of the house. We are going to need far more time than the 17 days that remain before us; and certainly, Mr. Chairman, it would seem foolish, if we are to come back after Christmas to complete the work, to go on sitting those long hours to consider the very important business of the house.

Therefore I would certainly ask the government and the minister himself to give some sympathetic consideration to the possibility of limiting these long sitting hours to the period between now and Christmas. If we come back after Christmas with unfinished business let us take more time for careful and critical examination of all the estimates because, if we do, we might possibly be able to help the minister find some of those items in the estimates where he can save some money where there is evidence of waste and extravagance.

Mr. Sinclair: He is looking hard for them.

Mr. Low: The important thing is that we want to be able to look very hard, which we cannot do if we are rushed in our work and gloss over rather than get right down with our teeth in the estimates.

I simply suggest that so far as we are concerned at the moment we are going to help the government get these things through, because we realize they have to pay their bills. If we do not enter into a discussion of what might be considered urgent issues at the moment it is not that we do not appreciate their importance, but we do believe it is neither necessary nor wise at this time to have a repetition of debate such as will happen if we should raise those issues now and debate them and then raise them again when the departmental estimates are brought before us.

Mr. Macdonald (Vancouver-Kingsway): Mr. Chairman, I want without taking too much of the time of the committee, to raise a very urgent matter. Last Friday night a large meeting was held in Vancouver under the auspices of the Vancouver labour council. There were about a thousand people or a little more in the audience, and representatives of all parties were present.

Now, I think it must be said that the member of the Conservative party there present, the hon. member for Vancouver-Burrard, received a very bad reception. It had nothing to do with that member personally, I am quite sure, because he is liked and respected in Vancouver. I think undoubtedly the bad reaction to the remarks of the hon. member was due solely to the inadequacy of the government's employment program.

That hon. member, according to the radio, has now written a letter to the Prime Minister and released it publicly, setting out some points, and he finished that letter by saying that his experience at the meeting was the first time he was ever booed. He said later it was a new and demoralizing experience for him. But I repeat, Mr. Chairman, it is not really something that has anything to do with the hon. member for Vancouver-Burrard, but it has a lot to do with the fact that the government's program for meeting the unemployment situation in Canada has been unimaginative, dilatory, negative and completely uninspired.

The meeting appreciated what the government has done in the way of alleviating hardship, the extension of seasonal unemployment benefits and the extension which is going to be made by way of federal contribution to relief as such; but all members in the house know that while people may be able to survive on unemployment insurance or relief payments, they certainly cannot live and give a decent life to their families on those payments. That meeting undoubtedly felt that jobs were the first essential, and that relief was never a substitute for jobs.

What are some of the practical suggestions that came out of that meeting to which the government should pay attention? I am not thinking of the long-term necessity of social planning in this country by which we can plan to utilize our productive resources, not in accordance with the profit expectations of a few large companies but in accordance with what the Canadian people need. However, this meeting did lay down an immediate program of crash steps that the government could and should take.

I should like to refer to these steps without taking much time, notwithstanding the importance of the matter. First, they said there should be an accelerated over-all program of public works in Canada now, at all three levels of government. At page 1360 of *Hansard* for November 21, 1957, the Minister of Public Works said it was not the intention of the government to launch a special program of public works across Canada.

At that time the minister did say that was the fault of the previous administration in not leaving any works on the shelf. We cannot accept this bandying about of responsibility between the two old parties, such as we have seen to date. Whether or not the Conservatives are right in saying the Liberals are to blame and it is a legacy they have inherited, or whether the Liberals are right in saying it is the fault of the Conservatives that unemployment has increased is not the question. Actually they are both right in blaming each other.

Second, the National Housing Act must be completely reconstituted. At the moment, Mr. Chairman, according to the information I have received, the average down payment of a home owner under that act is $3,800, and the average income of the average borrower who takes out an N.H.A. loan is $5,700. In other words we have a housing program that helps those who least need help and completely passes over the heads of the vast majority of the Canadian people.

Mr. Lambert: May I ask the hon. member a question?

Mr. Macdonald (Vancouver-Kingsway): Yes.

Mr. Lambert: Is he aware that in the city of Edmonton there has been a vast program of house building and that the down payments are as low as $1,595, with some at $1,900 and $2,400?

Mr. Macdonald (Vancouver-Kingsway): I have given the average across Canada, and that would undoubtedly mean there were some below and some above. If the hon. member would reflect on what I just said he will see that I said the average income of those across Canada who are taking advantage of the N.H.A. is $5,700 a year for 1957. He will see, therefore, that we have no low cost housing program; we have no program that helps the wage and salary earner or the farm people who make up the bulk of the people of Canada.

Mr. Fleming: May I ask my hon. friend if he is aware of the terms of a resolution standing in the name of the Minister of Public Works which contemplates an amendment to the National Housing Act, and having as one of its purposes a reduction in the amount of the down payment?

Mr. Macdonald (Vancouver-Kingsway): Yes, I am aware of it, and I hope the remarks I am now making will influence the extent to which the down payments are slashed.

The Chairman: Order. I would ask the hon. member not to discuss the National Housing Act at the present time.

Mr. Macdonald (Vancouver-Kingsway): I was just answering a question that was asked of me. As a matter of fact, I would hope that the down payment might be eliminated altogether and that the interest rate will be slashed, as was done for the veterans in the United States. I hope for this, notwithstanding the statement made the other day by the Minister of Public Works that the interest rate under the N.H.A. was not going to be reduced below 6 per cent. I regret that.

The third step that could immediately be taken to alleviate unemployment would be to invoke and activate the provisions of the Municipal Improvements Assistance Act, 1938, whereby the federal government would make credit available to the municipalities at a low interest rate. At that time it was 2 per cent. This act is still upon the statute books of the country and could be readily and easily invoked.

Fourth, the national development program in British Columbia should be proceeded with. I believe this meeting expressed concern about the development of Columbia power and the fact that the plan is still lagging so badly. We still have not started upon our hydro project in British Columbia. Unfortunately there are few signs that negotiation with the United States are proceeding, or that negotiations with British Columbia are proceeding on that question.

Mr. Hahn: What about the Rocky Mountain trench?

Mr. Sinclair: You mean Wenner-Gren, that ex-nazi?

Mr. Hahn: Does that not help in the development of British Columbia?

Mr. Macdonald (Vancouver-Kingsway): That was not referred to at the meeting, so I am not referring to it.

The fifth matter which is of importance is the need for trade with the Asian countries and that would include, of course, trade with China. Again we must see that the first step toward expanded trade with China is diplomatic recognition. In spite of what the Prime Minister has said in this house, it is clear that since Great Britain did accord diplomatic recognition to China her trade has increased. Recognition was felt to be important, and they expect still further growth in exports to China.

The sixth point that came before the meeting was the necessity for large scale capital assistance from Canada to the undeveloped countries of the world to help in providing employment here and to promote the interests of peace, as well as help in closing the gap between the hungry and the well-fed nations of the world. I feel, Mr. Chairman, that Canada should, as part of an employment program as well as in the interests of peace, subscribe at least 1 per cent of our national wealth through some such program as SUNFED under the auspices of the United Nations.

I should like to close by asking the government to reply before interim supply is voted, and state what they plan. In view of the response their speaker received in Vancouver, have they new proposals in addition to the humdrum and routine proposals made by the Minister of Labour? Do they plan anything of an imaginative and bold nature to take care of unemployment in Canada this winter? It is now estimated that Canada loses $150 million a month by the enforced idleness of many of our best and most capable workers. The homes that are not built, the goods that are not produced, the farm machinery that is not available and so on now runs to about $150 million a month. In addition to that can we afford the moral obloquy of many of our people suffering hardship and even hunger in the midst of the potential abundance which modern science has made available?

(*Translation*):

Mr. Lesage: Mr. Chairman, while the house is considering these estimates I should like to take the opportunity to raise the question of unemployment in the Canadian textile industry.

Conditions there are at this time certainly deplorable. For instance, at this very moment, the large textile plant of Montmagny has closed down and several hundred workers are jobless. I can remember that during the last election campaign, the Conservative candidates, at least in the province of Quebec, or the so-called Independent Conservative candidates, promised to help stabilize the textile industry in Canada.

When the session started in October, I expected to hear in the speech from the throne about some bills, or special legislation to help stabilize this industry. But, as in many other fields where serious problems have cropped up, the government had no program to offer. The matter was referred to a committee, as other most significant matters were referred to royal commissions or to conferences preliminary to more conferences.

The position of the textile industry is deplorable. The government is doing nothing. The December 2 issue of *Hansard* gave the official list of members of the trade delegation, or I could perhaps say, the purchasing mission, to the United Kingdom. On going over this list it will be seen that 15 members were particularly interested in going to the United Kingdom to buy textiles, whereas 7 others were out to buy consumer goods. If you single out the names of those seven others, you will find, for instance, the name of a representative of Eaton's and representatives of other large firms obviously interested in buying textiles.

This mission is going out to buy in Great Britain products that are being manufactured right here in Canada; while the textile industry and other industries over there are enjoying full employment, here in Canada our textile workers are out of work. Moreover, the government itself selected the members of the delegation and is paying their expenses, to allow those business men and importers to buy, in the United Kingdom, products manufactured by workers who are fully employed, thus depriving our own textile workers of the jobs they need to support their families.

Of course, Mr. Chairman, I am in favour of expanded international trade. There is no doubt whatsoever about that. It is a recognized fact that Canada must increase its international trade to balance its economy. On the other hand, I think it is going a bit too far,—merely to fulfil the unconsidered promise made by a prime minister,—yes, yes, I repeat, to fulfil the unconsidered promise made by a prime minister—of switching 15 per cent of our external trade,—to send a mission into another country to buy products that can be manufactured in Canada, while our own workers in factories turning out the same type of product are without jobs.

I ask the government what they intend to do to remedy the situation, and especially if, in sending this trade mission, they are willing to take the risk involved for an important sector of our economy.

(Text):

Mr. Stewart (Winnipeg North): I want to come back to this subject which was introduced by my colleague the hon. member for Vancouver East. I refer to the most urgent matter facing the nation today, namely that of unemployment. It has been said, and I think with some accuracy, that by the time spring comes around there will be as many as 700,000 to 800,000 men in this country unemployed.

Many of us have a rather glib habit of talking about the unemployed as though they were an impersonal mass, but having in my younger days been unemployed myself and knowing what it means, I say that between 700,000 and 800,000 unemployed mean between 700,000 and 800,000 personal tragedies. If there is that measure of unemployment in this country the fault must lie squarely with the fiscal policies of this government.

It is in the interests of Canada that the opposition keep this government in office as long as they can if only for the purpose of showing up its complete and utter bankruptcy. The government has no solution whatsoever to the problems which are going to face us in this field. Perhaps that is one of the reasons the government is trying to hurry through as rapidly as possible the legislation which is in front of us. They want to get the estimates through by Christmas. They want the opposition out of the road so that publicity cannot be given to what is happening in the country today. On the other hand, while we are prepared to facilitate in every reasonable way the business of the house, we are also going to insist that these problems which are manifest in our economy must be brought forward, and we have a right to expect answers from the government.

We have been told that there is no shelf of public works inherited from the Liberal party, nor has the government any ideas at all about public works. Yet surely today

is one time when public works are required in this country. We know of areas where schools are desperately needed and where the federal government, through the provincial government, could give assistance with regard to the capital cost of the building of those schools. We know that hospitals are desperately needed. Again, assistance could be given for that capital cost. We know that roads are desperately needed. All across this country there are a great many things to do which ought to be done and which stare one in the face. Yet there is no word whatsoever from this party which sits opposite me.

I think of one case in my own constituency. Part of it is a new city of over 20,000 people. It has banks, industries, stores and, as I said, over 20,000 people living in it. Yet there is no post office there. I refer to the city of East Kildonan. Surely one of the things that could be done now as part of a public works program would be to build a badly needed post office in that area. I am sure that if one went over every municipality in this country one would find things which could be done profitably and which would be socially useful.

But if these things could be socially useful we must consider the kind of social catastrophe which results from unemployment. I do not think we shall ever go back to the conditions of the thirties, because the people of this country would not tolerate such conditions today. If there were to be unemployment on the massive scale we had then for any lengthy period, there would be revolution in this country. The ordinary people know, if this government does not, that if there is money for war there can be money for peace as well.

One of the things this government must be prepared to do is to spend money. The Minister of Finance may be in a bit of a quandary right now as to how he is going to balance his budget. I am, of course, quite convinced that there will be no budget brought down in this parliament. There will be an election first, because the government dare not face the country or this parliament with a budget and the financial mess which it will show. But I for one would be quite prepared to see an unbalanced budget if it meant that some of the unemployed were taken off the unemployed lists and given productive work. There are many things to be done in this country, and it is high time the government informed this house and Canada what their plans are to alleviate the growing menace of unemployment which faces us today.

Mr. Tucker: I do not intend to detain the committee for more than two or three minutes, but I wish to make a suggestion to the Minister of Finance and ask that he and the government give some consideration to it. It is something along the lines of that brought forward by the hon. member for Winnipeg North Centre. He has pointed out the position in which the government finds itself by saying to the house that legislation is going to be delayed unless the estimates are put through. Of course they, with all members of the house, realize that the estimates have to be reasonably examined. So we are apparently in the dilemma that legislation which the country wants and which the members presumably all want is held up because of the necessity of putting the estimates through in a reasonable and proper way after careful examination.

When we ask the government to proceed with such an important measure as that to provide for improvement in the position of agricultural producers, we are continually told, "Those other measures and estimates must be proceeded with, and if you put them through we will reach that measure". We were told last night that we would reach this important measure with regard to agriculture today, provided we put through ahead of it this interim supply bill, the amendment to the Canadian and British Insurance Companies Act, the resolution with regard to the Export Credits Insurance Act, and the resolution in respect of the National Housing Act. We are told that if we put all these things through we will then reach this important measure on agriculture.

I think the hon. members of this house must realize that to say by the time we get interim supply through and deal with these very important measures such as housing, the insurance act and so on, we are going to then take up this most important act on agriculture but only providing we deal with all these other matters first, is practically the same as saying we are not going to get this agricultural matter dealt with this week, because we will run into finance estimates on Friday and the defence estimates tomorrow, and probably other estimates on Saturday.

What I am getting at is this. While I am thoroughly and wholeheartedly in support of the attitude of the leader of our party when he says it is our desire to co-operate with the government in enabling it to have a fair chance to implement the promises upon which it was elected, I also agree with another suggestion of my leader which I think a lot of us would accept without hesitation. I would point out that the Minister of Finance and other prominent members of the government of which he is a member served on the estimates committee when in opposition, and

they all testified to the value of that committee. Now our leader has suggested repeatedly to the government that we have this great program of legislation to consider and with which the house wishes to proceed, in addition to the estimates, which obviously are all going to be spent by the end of March. So if there is going to be any reality in considering them they should therefore be considered and put through not later than January next. So he has said we should submit some of these estimates to the estimates committee for consideration by the members who will be on that committee. In that way the estimates could get a thorough examination and the government could go ahead with its legislative program, a part of which is this important matter to agriculture.

The house has now been in session for approximately seven weeks and here is this matter which in my opinion is at the root of a lot of our growing unemployment troubles in this country, namely the falling off in the purchasing power of those in primary industry, particularly those engaged in agriculture. The government has promised to do something about this, and the longer it delays the more these problems are piling up. The economists realize that it is much easier to arrest a downward trend, economically speaking, than to right it if it is allowed to go a certain distance. I would think the Minister of Finance, the Prime Minister and other members of the government would have accepted with alacrity the suggested co-operation of the official opposition as outlined by our leader, in order to help deal with this situation which we know is not an easy one.

I cannot understand why the government does not accept the suggestion, even at this date, and have some of these estimates referred to a committee where some members can look into them, because we are being put into the position where, if we do our duty and examine these estimates in the way we should examine them, we will be accused of holding up the program of the government. The government must be desirous of putting us in that position, otherwise they would meet the suggestion that has been made in order that they might go ahead with their legislative program. Why do not they do it?

I dropped into the external affairs committee yesterday, where I saw the estimates of that department being examined by the members of that committtee who were very much interested in that department. When these estimates come before us the house itself will know that they have been thoroughly examined in that external affairs committee and it is going to be able to pass them in much less time.

We could take, for example, the Department of National Defence, which is the department that occupies the minds of many of the people today. Much thought has been given to all the many aspects of the duties of this department, and I know we are all conscious of that fact. This is one area in particular where this parliament, if it is going to do its duty to the people, should be examining the estimates very carefully, but if we want to examine them then we hold up the legislation.

Why does not the government agree to appoint an estimates committee, which would be set up by the government itself in order to consider the estimates of the Department of National Defence? This procedure would double the efficiency of the members of this house, and I do ask the government to reconsider the suggestion to set up an estimates committee so this house can do a better job, not only of putting through the estimates and examining them, but also of ensuring the government a chance to implement the promises upon which they won the support they received in the election.

Mr. Hansell: 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. Hansell: Mr. Chairman, I am sure we do not wish to unduly prolong the discussion of this resolution. We have promised and agreed to co-operate as far as possible with the government in getting through this legislation and passing the estimates in the limited time which appears to be at our disposal.

However, there is one thing I should like to say, and in this connection I should like to ask the minister a question which perhaps he may be able to answer after I am through. I should like to know whether or not there are any estimates which are to be withdrawn, or whether there are any which are going to be curtailed. I am interested in this because if any estimates are to be withdrawn then an opportunity will not be given to members of parliament to air any problem they may have in mind coming under those particular estimates.

I rather fancy that members may find themselves in the position of expecting to be able to speak on certain matters but finding that the estimates do not come before

the committee, so they are not able to speak as they expected. I do not know what will happen to the estimates of the Department of Mines and Technical Surveys. I had something to say on that matter the other day, but we did not reach the particular item I wished to use in connection with my speech, and it would now appear that perhaps we will not have an opportunity to discuss those estimates this session.

Mr. Chairman, there is one point in this connection that I wish to bring to the attention of the committee and of the Minister of Finance in particular, because I am quite certain that any policy he may pursue will have an effect on the problem I am going to place before him. Several hon. members have risen today and spoken concerning unemployment. Whether or not the government want to recognize that there is an increase taking place in unemployment is their business. Some of us cannot help seeing by figures and facts that there is an increase in the number of unemployed.

The government may say this started before they came into office, but I am not too much concerned about when it started or who is responsible. I am going to present to the minister an unemployment problem which has existed for some considerable time, and that particular unemployment problem is in my own constituency where we had at one time a rather extensive coal mining industry.

For some time now, since the dieselization of the railways and the increasing use of other fuels, the coal mining industry of the Crowsnest pass area has been in a very deplorable condition, and I think my remarks regarding the industry in this particular area will be true practically throughout the entire country. I am bringing this matter to the attention of the government because it affects a vast community, and in this connection I should like to put a few figures and facts on the record.

I have a letter here from a local coal mining union, signed by the secretary, which gives an example of how often the coal miners have been able to work over the past couple of years. I will read one paragraph, which says that from January 1 of this year to the end of September, eight months, the mine at Bellevue, which is one of the communities within this Crowsnest pass area, will have worked no more than 60 days. Think of that, no more than 60 days in eight months.

The letter continues, and says that from October 1, 1956, to September 30, 1957, that is for an entire year, the mine has worked approximately 90 days. That is a deplorable situation. It is accentuated, too, by reason of the fact that the coal mines in this particular area work on shifts, and because they work on shifts the unemployment insurance payments made to the men are affected. The men work perhaps one shift a week and by reason of that fact they are not totally unemployed. If they work one shift a week they do not appear to be as eligible for unemployment insurance benefits as if they were continually unemployed for a further length of time.

I want to put on the record here a small table. I will read it if I do not have unanimous consent. This table was enclosed in the letter I have just read, and it says that unemployment insurance for a married man who had a full week off one year ago amounted to between $26 and $30, but today by reason of this shift work he receives $19 to $21. A single man in respect of a full week off one year ago received $19 to $23; today he receives between $13 and $15.

Here is another part of the schedule which says that a married man working one shift one year ago received by way of unemployment insurance between $21 and $29; today he receives between $6 and $8.

Now, when we say "worked one shift", that means one shift in a week. A single man who worked one shift a year ago received between $14 and $22. Today he receives $5. According to another part of the schedule, for two shifts a married man received between $7 and $15 one year ago. Today he receives nothing. When a single man worked two shifts a year ago he received $6 to $8, but today he receives nothing. All this is in respect to unemployment insurance.

In the letter dated September 25, to which I have just referred, this local union secretary said that some of its officers were coming to Ottawa to interview the Minister of Labour, and I understand they did meet with him. Some amendments to the Unemployment Insurance Act were passed in this house the other day. These will benefit some unemployed by reason of the further extension of time for the payment of benefits and so forth, but they will not help these particular miners who are working only one or two shifts a week. This was the subject of the interview with the minister, as I understand it, but no remedy for this situation has been brought in. I will not take any more of the time of the committee on this point. Instead I will save the committee's time and personally speak about it to the minister.

I wish to deal now with the coal mining industry in general and in the Crowsnest pass area in particular. I know the government extends a somewhat sympathetic feeling to those people who are unfortunate in their employment, or to an industry which

finds itself in unfortunate circumstances; but what we need is something more than a mere expression of sympathy.

I recall that just a few years ago, when Mr. Drew was out in Alberta, he visited a certain area in the southern part of the province and delivered a speech relating to the coal mining industry. In that speech he declared that something had to be done for the industry, and suggested that if he ever got in power something would definitely be done. It was significant that he did not find himself in power after that election, and when we returned to Ottawa we found him still sitting on the opposition side of the house. I waited to hear him come forward with some concrete suggestions as to how we were going to solve the problem which existed in the coal mining industry, but from that day on we did not hear a word from him on the subject. The election was over and his party was defeated. But the situation has changed now, and the same party which Mr. Drew led just a few years ago is now led by another gentleman, and the same party is now in office instead of being on the opposition side of the house.

We want to know whether or not this government is going to take up the cudgels of battle for the coal mining industry of Canada, particularly in the depressed area of the Crowsnest pass, and devise a policy that will keep that industry going and thereby give reasonable employment to those in the industry who are presently unemployed. Surely it is the duty and responsibility of government to devise some sort of a national coal policy.

I am not suggesting for a moment that it will be easy. The government will really have its hands full if this problem is to be properly tackled, but I believe it can be done. There is no use saying, "Well, we have set up a royal commission on energy that will look into all these problems." Some of us have been in this house long enough to have seen commissions come and go, and I personally have not yet discovered too much that has actually been accomplished as a result of the establishment of a royal commission. They have made recommendations, their work has been complete and thorough, and frequently their recommendations have been good; but in the final analysis it is up to the government to implement the recommendations. Many of the recommendations of royal commissions have been laudable, but governments do not seem to act upon them.

We owe it to the people in the depressed coal mining areas to tell them whether or not we believe the industry should continue to exist in Canada, because they have a right to know and the government in office has a responsibility to tell them. If the government's answer is yes, then it should be made known soon. There is no use saying an attempt will be made to put the industry on its feet a year from now, because that does not put any food on the breakfast table of the coal miner tomorrow morning. Something must be done soon.

On the other hand, if the government reaches the conclusion that the Canadian coal mining industry is about to fold up and it is unable to do anything about it, this information should be made known so the industry will know exactly where it stands and the coal miners will know their position. If it is to fold up then I believe it is the government's responsibility to rehabilitate the people in the coal mining districts of Canada.

There are ways in which this could be done if rehabilitation should prove necessary. One is to see that new industries are encouraged to go into the depressed areas and sustain them. This would be feasible in some of these areas. In the Crowsnest pass district, for instance, there is plenty of industrial potential. There is a good deal of lumbering and there could be a good deal of mining—not coal mining, perhaps, if that is to go by the boards, but other types of mining. It is the government's responsibility to see that something is done along that line.

We have been talking for quite some time about the possibility of thermal power being established in the Crowsnest pass area. In the last election my Liberal opponent declared that there was to be a thermal power plant situated in the Crowsnest pass district, and he mentioned Blairmore as the location. Oh, yes, he went so far as to say he had been able to achieve this for the people in that area. That was his election cry. I know that politicians can sometimes stretch the truth and give their statements a good deal of colour, and I am not going to plead innocent of doing that myself on occasion; but I must say that when politicians go out and state positive lies in respect of things of this sort, that is going too far.

I had this in mind, so I asked a question on the order paper just recently. I inquired about the establishment of a thermal power plant in the Crowsnest pass area. My question was passed as an order for return. I do not quite know why, because there was not much research involved in providing the answer. However, when questions are passed as orders for returns the answers do not appear in *Hansard,* and in order to learn what the answer is people must travel to Ottawa or request someone to look up the sessional paper. I am going to state what the answer

was in order that it may appear in *Hansard*. My question was in two parts, as follows:

1. Has the government of Canada negotiated with any person, firm or corporation, during the past year for the installation of a thermal power plant at Blairmore, Alberta or any other community in the Alberta section of the Crowsnest pass?

2. If so, with whom were negotiations carried on and with what results in each case?

This is the answer that was given in sessional paper No. 200, filed on Thursday, November 28:

1. The Dominion coal board have no knowledge of any negotiation with any person during the past year on the installation of a thermal power plant at Blairmore, Alberta or in any other location in the Crowsnest pass.

2. See answer to No. 1.

Then there are added the Department of Mines and Technical Surveys, the Department of Northern Affairs and National Resources, and the Department of Trade and Commerce. Then we find the following:

So far as these departments are concerned: No answer.

In spite of election talk and election promises, Mr. Chairman, nothing has been done. I am projecting this matter into the debate today because this is one small industry that perhaps can be established in the Crowsnest pass area to take up some of the slack in respect of unemployment. The other thing that can be done, of course, if it is necessary to rehabilitate coal miners, is to move them to some other area and find employment for them there; but the situation is such today that almost every area in the country is experiencing the same problem in respect of unemployment.

I am aware of the fact, of course, that provincial governments have some responsibility in this matter. A few years ago, when the coal mining industry of Alberta reached the low ebb that it did, the Social Credit government of that province appropriated $100,000 for the rehabilitation of coal miners. Many of them left the area and became absorbed in other types of work.

Of course there is another solution to this problem, and that is to get markets for our coal. I am not saying that solution is an easy one, because we have been working on it for a good many years now. I will give this government credit for what I am about to say. What the result will be I do not know. Whether or not it will have a good result I do not know, but since coming into office this government has increased the subvention on coal for export to Japan. That is an admirable thing; but an increase in the subvention on exports of coal to Japan, while it is an admirable thing in itself, does not necessarily get the market for us. On the basis of the increased subvention I believe it is up to the government to go out and get markets in Japan for this coal.

There is a market in Japan for coal, and I want to emphasize that. I am told by the Dominion coal board—which is doing good work so far as their responsibilities are concerned and are at our disposal and will help us in any way—that the Japanese steel industry is in need of coal. They cannot produce enough coal themselves, and they must import coal from other countries. I am told that 20 per cent of the coal which they import now for their steel industry is imported from the eastern seaboard of the United States of America. About 2,880,000 tons are imported from the eastern seaboard of the United States. It is Pocahontas coal. I am told that the prospects for the sale of coal in Japan over the next few years amount to 12 million tons. They will need that much coal, but they cannot increase their own production, and they will have to import nearly 7 million tons.

I ask whether this business involving 7 million tons of coal is to go to United States coal mines on the eastern seaboard, or whether we have a chance to get that market. It is up to the government and the Department of Trade and Commerce to go after that market, because if we do not get it someone from some other country will go after it. I am inclined to think that if we can get that market for our coal it will help the coal mining industry of Canada to keep its head above water so it will not sink.

There is another industry in Japan that needs coal, namely the gas industry. They have imported a lot of coal from French Indo-China. French Indo-China is now in the communist orbit. We should be able to get some of that business now. The business that did go to French Indo-China perhaps should now go somewhere else. We have the opportunity to get that business.

The Japanese market for coal is highly competitive. They must have the proper quality of coal. In this respect I wish to say to the coal mining operators in the Crowsnest pass, or in any other place in Canada, that it is up to them to produce the quality of coal that will give the Japanese market the proper mix. In addition, the price must be competitive. When we are talking of a competitive price, might I suggest to the government of the day that they give every possible assistance to the establishment of bulk-loading facilities on the Vancouver docks. At the present time any bulk loading of coal or any other such material for export cannot be done at Vancouver.

This seems to me a strange state of affairs. Vancouver harbour is considered to be one of

the best harbours in the world. Vancouver is, of course, a large city. If we want to ship anything by the process of bulk loading the material has to be taken by train to Seattle or Portland to be loaded for export. That should not be. A company has been organized which would like to establish a bulk-loading dock in the harbour of Vancouver so the coal mining industry, and any other industry desiring to facilitate itself in this manner, will not have to bear the expense of shipping the material to Seattle or Portland in order to export it. I hope they will be successful in this and I believe they will, but I do not know.

I could say a good deal more, Mr. Chairman, in respect of the coal mining industry, but I know we want to get along with this business. I appeal to the government now to look at this problem objectively and try to do the very best they can for this industry, which has been a big industry in Canada but in the last few years has been dying out. Do we want to have vast areas composed of ghost towns, or do we want to revive the industry to the point where it will employ a reasonable number of coal miners and keep those communities economically sound?

This is my plea to the government. I ask them to look into this matter and do all they can and do it quickly. I am not asking them to do it two or three years from now. Who knows whether they will be here two or three years from now? I am asking them to do it right away. Let us leave no stone unturned. Let us do all we can quickly to save the coal mining industry of Canada.

Mr. Murphy (Westmorland): Mr. Chairman, I was shocked this morning at the reference the Prime Minister made to the pensioned employees of the government railways in this country. This problem is one which I have brought to the attention of the house on other occasions. In Westmorland county there are thousands of pensioned employees of the Intercolonial Railway. Of course this railway has been out of existence for some time, since it was taken over by the Canadian National. This group is small, and in a few years the problem will solve itself because there will be no pensioners living.

When I was on the other side of the house I brought this matter to the attention of the government, as a reference to *Hansard* will indicate. Of course the Prime Minister may not have had time to read the speeches I made when I was on the government side of the house.

Mr. Cardiff: Never knew you were here.

Mr. Murphy (Westmorland): Probably you did not; you do not notice too much.

[Mr. Hansell.]

In addition to the plight of these men, there is also the plight of the people who were working for Canadian National Railways in Moncton and other centres and who have become unemployed. The capital projects that are proposed in that area, of one kind or another, are aimed at alleviating the conditions there. The Atlantic resolutions, which were signed by the Conservative candidates of the maritime provinces said:

> We favour the immediate institution of an Atlantic capital projects program which will provide federal capital assistance for provincial projects designed to enlarge the basic economy of the area.

This resolution is in line with the thinking of many organizations throughout the years. One of these projects that is of great interest today is the causeway that would be built from Westmorland county to Prince Edward Island.

Mr. Morris: Mr. Chairman, would the hon. member permit a question? Would he ask the unanimous consent of the committee to put all the Atlantic resolutions on the *Hansard* record? He will have no difficulty in obtaining the agreement of this side of the house. He has been reading them piecemeal throughout the session, and we would be delighted to see them all in *Hansard*.

Mr. Murphy (Westmorland): The hon. member has said that I have taken them up piecemeal. I have brought them to the attention of the house whenever it was possible, and I would remind him that the Atlantic resolutions were not signed by me. They were signed by the 33 Conservative candidates in the Atlantic provinces. It is the duty of those members to bring these resolutions to the attention of this house. As I stated on another occasion, there is one Conservative member in this house who has had the courage to put some of them on the order paper by way of resolution. I believe there are three contained in a resolution standing in the name of the hon. member for Pictou.

Referring once again to the Prince Edward Island causeway, I may say that Prince Edward Island is one of the beauty spots of Canada. It is also one of the finest farming sections of the country. This causeway would be of great benefit to the people of Prince Edward Island in the movement of their products to the mainland. It would assist also in the development of industries on Prince Edward Island, because much of the transportation is done by truck.

We have within Westmorland county many stone quarries. In fact quite a number of the public buildings in Boston were built from stone quarried in Westmorland county.

I feel that these quarries could be reactivated and the stone used for the construction of an island causeway. I am not an engineer, but I have talked to some who are familiar with the shore line of Westmorland county and Prince Edward Island. They tell me that if this causeway were built it would soon be protected by sand dunes. We know this to be true, because one of the problems connected with wharves and breakwaters in the Northumberland strait area is that the drifting sands of Northumberland strait soon tend to gather around the breakwaters and the first thing we know we have a breakwater that appears to be on dry land. A great amount of dredging is necessary. I think this same condition would prevail if the island causeway were built.

We know the Prime Minister has taken a great interest in Prince Edward Island. In Charlottetown on April 29, as reported in the Ottawa *Journal*, the Prime Minister said when speaking of the money owed the federal government by Prince Edward Island:

> Prince Edward Island will realize what $1,400,000 is. That amount will imprison this province. It will intensify financial difficulties. It will render a mockery of the concept of united Canada.

Farther on he said:

> Prince Edward Island will become the poorest of the poor relations in Canada, unless you take action now.

The people of Prince Edward Island believed in the sincerity of the Prime Minister and sent four Conservative members, the entire number of members allotted to Prince Edward Island, to this parliament.

Mr. Bell (Carleton): Next time New Brunswick will do the same.

Mr. Habel: Will those four come back?

An hon. Member: No.

Mr. Murphy (Westmorland): We will have to wait and see. Since there are four Conservative members from Prince Edward Island, we do not have that problem. The Minister of Public Works often makes reference in this house to the Liberal sea walls, and with this number of Conservative members from Prince Edward Island this causeway from New Brunswick to Prince Edward Island could be a Conservative sea wall. I cannot hear all the interjections, but if hon. members wish to ask questions they should rise and I will give them the floor. The hon. member for Saint John-Albert has his own problems.

Mr. Bell (Saint John-Albert): I have not made any interjection during the member's speech. However, I reserve the right to do so when he starts his inaccuracies.

Mr. Gauthier (Portneuf): This is the first time the hon. member has not made an interjection.

Mr. Murphy (Westmorland): The hon. gentleman will not have much time for that. When the Prime Minister was speaking at Woodstock, Ontario, on June 6 he was referring to the Liberal party. He went on to say they said they did not have money to increase old age pensions to the point to which he thought they should be increased. He went on to say that the Liberal party had money for culture. They had money for other programs, and then he laughed and said they even had money to build a road across the ocean.

I am wondering what the people of Prince Edward Island, who sent the four Conservative members here, would think if they knew that after being so sympathetic in Charlottetown the Prime Minister laughed at the causeway or road across the ocean, as he called it in Woodstock, Ontario.

An hon. Member: Were you there?

Mr. Murphy (Westmorland): No, but if you wish to check the accuracy of that statement I suggest that you get in touch with the hon. member for Oxford, who was on the stage at that time.

There is another project that would assist in relieving the unemployment situation in our district. I refer to the elimination of grade crossings in the city of Moncton. I will not say it is the fault of the railway that the rails go through the centre of town. The rails were put there some time ago when Moncton was a very small place called The Bend, and the town has grown around the railway line. I understand there are plans now for the lowering of the railway tracks so that overhead passage for other vehicles can be built with greater ease. If this were done the trade and commerce section of Moncton would not be cut in two by the railway line, and the crossings would no longer be a menace to the lives of the people in the area.

Another suggestion has been made that the tracks be diverted, and that rather than go through the city they should pass through the west end so there would be no interference with the main streets of the city of Moncton. I think either of these programs would be acceptable to the people of that area. I know a great amount of work would be created for the unemployed. This is the type of work that has a high labour content and requires a lot of men. I believe such a project would be of great assistance now.

Early this morning we received in our mail a newspaper supplement from Saint John,

New Brunswick, about the Chignecto canal. If hon. members read it they will find what the Chignecto canal is. Briefly, it is a canal to be built on the border between New Brunswick and Nova Scotia to allow vessels to pass from Northumberland strait to the bay of Fundy. A ship going from Montreal to Boston would save approximately 400 miles. The canal would also be a water lane from Prince Edward Island and the north shore of Nova Scotia to the industrial cities of New England.

The Prime Minister has said, and I agree with him, that this is part and parcel of the St. Lawrence seaway. I would ask hon. members to look at the newspaper supplement on the Chignecto canal. I do not wish to be inaccurate in what I say about it. In that paper hon. members will find a statement by the hon. member for Saint John-Albert. They can read exactly what he has to say, and they will see from what he says how strongly he is behind the project.

This project is one that was held out as an inducement to the maritime provinces to enter confederation. Hon. members will find that after confederation, when the parliament of Canada met, members and senators from the maritime provinces brought up the matter. One senator, Amos E. Botsford of New Brunswick, said the Chignecto canal had been held out by the conference at Quebec as an inducement to New Brunswick to enter confederation. Senator Dickey declared that at the conference it was distinctly understood that the canal should be constructed. John Burpee, then member of parliament for Sunbury, now York-Sunbury, declared that if the people of New Brunswick had not been satisfied that the canal would be built they never would have consented to the union.

In the newspaper supplement it will be found that many others who were at the conference brought the matter to the attention of the house. The 100th anniversay of confederation will be about 10 years from now, and even if the promise is 100 years old it would be nice to see it fulfilled by that time. This project has twice been in the estimates of the House of Commons.

Having dealt with capital projects, I turn again to the question of the pensioners of the government railway who live in Moncton. I wish to say that I disagree thoroughly with the Prime Minister when he says that this is not an important matter.

Mr. Churchill: He did not say that at all.

Mr. Murphy (Westmorland): I asked him a question concerning legislation to assist these people, and he said this matter was of little or no importance.

[Mr. Murphy (Westmorland).]

Mr. Fleming: Mr. Chairman, I think my hon. friend ought to be fair about this. The Prime Minister was asked a question by the hon. member this morning about placing this particular matter on the order paper, and the Prime Minister directed his answer not to the merits of the matter or its intrinsic importance but to the question of relating it to an already heavily laden order paper.

Mr. Knowles (Winnipeg North Centre): Is that a matter of no importance?

Mr. Fleming: The matter of the order paper is a matter of very high importance, as I think all hon. members will recognize, but I think it will also be recognized by hon. members that the question of bringing new matters in now is something that cannot just be tossed about each day, regardless of how important the particular matter under consideration may be. We must take account of the realities of the present order paper, with requests on every hand to advance matters one before another or to put more matters on the order paper.

Mr. Knowles (Winnipeg North Centre): Surely the minister does not think he can get the Prime Minister off that spot. He referred to the question this morning as being one of no importance.

Mr. Murphy (Westmorland): Mr. Chairman, I have the floor and that is the impression I, as well as many other members, got from what the Prime Minister said. It is nice to have the Minister of Finance tell us what the Prime Minister meant when he said it was of little or no importance. We are used to taking their words in the ordinary meaning, and if they mean something else to other people I think the people who are drawing these pensions will understand what I have just said about the meaning of "little or no importance". The Prime Minister was in the city of Moncton on May 4 and made an address at the Paramount theatre, as reported in the Moncton *Transcript* of May 6, in which he said these pensions were totally inadequate.

I have pointed out to the house that there are only a few thousand very old pensioners involved and that the problem will cure itself in a few years because they will all be dead. I have urged the house to consider this an urgent and important matter so these persons may be treated in the same way as the beneficiaries of other social legislation we have already passed this session, which was regarded as emergency legislation.

Mr. Bell (Saint John-Albert): Mr. Chairman, I want to correct a second inaccuracy we have noticed in the hon. member's remarks. It has to do with the statement I

made about the Chignecto canal. I should like to read an important paragraph from the article, because the hon. member has misconstrued some of the words I used with respect to the canal. I quote from the article which he held in his hand, and this is what I said before the last election:

Many organizations and groups of influence have pledged their support—

Of the Chignecto canal.

—but so far the Liberal government has not shown the vision and leadership necessary to conduct even an up to date survey. John G. Diefenbaker, Q.C., the national leader of the Progressive Conservative party, on May 3, here in Saint John, discussed the merits of the canal and joined the long list of its promoters. I am pleased to associate myself with his remarks on that occasion.

Mr. Murphy (Westmorland): If this is a correction, Mr. Chairman, I certainly would accept it as such. I note that this is the first time I have heard the hon. member for Saint John-Albert raise his voice in this house on this matter.

Mr. Pallett: You have not spent very much time in the house, in that case.

Mr. MacEwan: Mr. Chairman, I cannot let this opportunity go by without referring to the hon. member for Westmorland, who has just spoken and has twice complimented me on the resolution which I placed on the order paper of this house. It is very fine of him to do so, and in this regard I would say that as far as this and other Atlantic resolutions are concerned, I am sure I can speak for the other members from that area and say that we will certainly go ahead, put them on the order paper and see that they are carried out to the best of our ability. Furthermore, at a meeting of the Atlantic candidates in Moncton we certainly enjoyed the great hospitality of that city, although I do not think my hon. friend had anything to do with that.

However, I would just like to refer to some of the remarks made by the hon. member for Macleod with respect to the coal mining industry. I would point out that in the area which I represent, the constituency of Pictou, a great deal of the economy is bound up in the coal mining industry. I will just briefly describe the history of that industry, which began with the old companies such as the General Mining Company, Acadia Coal Company and the Intercolonial Coal Company. It is easy to appreciate from what has happened in recent years that the coal mining industry has certainly been going down in that area. We have seen the closing down of mines in the town of Stellarton, the closing of the Alla shaft, Albion, MacGregor and also No. 79. There has also been a considerable reduction in the working force of the Intercolonial Coal Mining Company in Westville. Many delegations were sent to Halifax, to the provincial government of the time, and to the federal government in Ottawa without any help whatsoever being received.

As far as the town of Westville is concerned, which is an heroic town of some 4,200 people and which might be compared with Springhill in the neighbouring Cumberland county, it has for some years now faced a very bleak existence. The finances of the town are poor, as they have been for the last six or eight years, and this also applies to the town of Stellarton. In Westville there is what is known as the black diamond seam, a seam of coal which contains approximately 15 million tons of the best coal available. In this connection I would suggest that the subventions on coal which have been announced by this government will indeed have the effect desired in helping these mines, and I will certainly press for such a mine to be opened up before too long in order to assist that town.

These subventions announced by the government should, as I say, be of great assistance to the area, but my hon. friend from Macleod has stated that one way this government could help the coal mining industry throughout the country would, of course, be to encourage new industries. In this regard I would point out that these subventions will also help in the expansion of power plants in the province of Nova Scotia. There are, as many hon. members will know, some very active organizations in the maritime provinces, including one known as the Atlantic provinces economic council. This is made up of members from all over the Atlantic provinces under a very energetic president. The last place this organization met was, I believe, in the city of Charlottetown. APEC, as this organization is known, is not limited by political partisanship at all, but includes representatives from business, labour, educational authorities, and the various governments within these provinces. Certainly this organization is establishing a solid front in the maritimes.

I would just like to refer to an article in the *Financial Post* of September 28th last, as follows:

Maritimers are finding out through their Atlantic provinces economic council or APEC how much they can do by their own efforts to expand business and raise living standards. At a meeting just held in Charlottetown APEC studied trade promotion. Numerous constructive ideas were brought forward.

For example, the four provinces in APEC plan to establish an Atlantic House in London, England, very soon. Through this agency, as the experience of other parts of Canada shows, they might expect to attract immigrants, capital and orders for their goods.

The *Financial Post* goes on to say:

In these current APEC reports there is a strong emphasis on local markets which may reflect the maritime sense of isolation. For instance, the Atlantic makers of footwear and apparel held a very successful show of their goods this year—but they held it in Halifax. They plan another for 1958—in Moncton or Saint John.

Why not Montreal or Toronto? It's by selling an exportable surplus outside their own borders, by competing in the Canadian market as a whole, and on overseas and foreign markets that the maritimes will ultimately share to the full a national prosperity.

An "operation bootstrap" of this kind is far better than wringing of hands, appeals to Ottawa or nostalgic longing for good old days.

What has been going on in the provinces of Nova Scotia and New Brunswick is what we might call "operation coaldust" or "operation kilowatt", or whatever you wish, but now the maritime provinces, through APEC, are showing that they are going ahead. I would like to refer briefly to a company which has been set up by the government of Nova Scotia known as Industrial Estates Limited. The purpose of this company is to attract new industry to the province of Nova Scotia, and I was happy to note from the issue of the Halifax *Chronicle Herald* yesterday that the first estate will be set up between the two towns I have mentioned, namely Stellarton and Westville, comprising 150 acres which have already been purchased. An option has been taken on a further 600 acres; and I believe that Industrial Estates Limited, which has many good and energetic men on its board of directors, will help to ensure a bright future for the province of Nova Scotia and the maritimes generally. I certainly hope that industry will be attracted to my own area.

Finally, I would like to refer the remarks of the hon. member for Macleod this morning to the effect that this government would not be here long if it did not do something. In my opinion this government has done more during this short period for my area and for the maritimes in general than has been done for many, many years. I might say that in the proud constituency which I have the honour to represent the future looks good, and I believe the whole of the maritimes are now looking forward to a prosperity which they have not known heretofore.

Mr. Herridge (Kootenay West): I would like to say a few words Mr. Chairman, in support of the remarks made this morning by the hon. member for Vancouver-Kingsway. I must take advantage of this opportunity to bring to the attention of the government and this house the situation with respect to unemployment in my constituency, a constituency which is known for one of the highest rates of income per capita in Canada. I say, Mr. Chairman, that I am very suited to deal with this question as I am with a number of other questions. As a suffering employer in the lumber industry, as a member of a miner's union and as a peasant farmer I can take a fully objective view of all these questions.

Now, Mr. Chairman, the government has passed some legislation of value, legislation which will be of great assistance to numbers of persons including senior citizens, disabled and blind persons and war veterans. We were glad to see this legislation brought in and we supported it wholeheartedly. However, all this means, Mr. Chairman, is a minor redistribution of the diminishing production of this country. That is all this legislation means at the present time. The government of the day has not yet had to face head on, the major problems which have to be solved. I am not blaming the government for the situation which exists in the country at the present time, or for the situation which may continue to exist for some time to come unless some fundamentally different approach is made to this question.

Mr. Chairman, we believe that this question of unemployment and its related problems will not be solved properly until we have a different approach to our trade policies, some over-all planning, a different type of federal-provincial co-operation and different fiscal policies. We must also have a really national development policy which is the result of co-operation between the federal government and the provinces, and we must have a fiscal policy which permits the use of the national credit to give effect to the national development policy.

We in this group believe that these are some of the things which are necessary before we are going to solve, in the long run, these unemployment problems and the difficulties associated with them. However, we recognize that these things cannot be undertaken overnight and that they are unlikely to be undertaken by the Conservative government with its present philosophy, its present program and its current outlook, composed as it is of some hon. members who are so antiquated in their point of view that they would have made good parish councillors in the reign of George IV.

I want to bring to the attention of the committee and the government the situation in my own constituency, one which is unparalleled in recent years. I have in my hand a copy of the Trail *Daily Times* of November 23 in which is included the report of the manager of the employment offices for the latest monthly period. This is what he has to say:

Unemployment conditions in Trail and district are comparatively worse now compared to the same

period in 1956, J. T. Wilkinson, local manager of the unemployment insurance commission said today in his monthly review.

"There are now 505 males and 123 females unemployed", said Mr. Wilkinson, "a rise of 70 per cent over last month and a 125 per cent increase over last year. Thirty-eight per cent of the applications for aid were from Castlegar and Grand Forks area with the remaining 62 per cent from Trail.

Now the report goes on to refer to the various industries. I am very well acquainted with my constituency; I have seen it develop from pioneer days. Mr. Wilkinson has this to say with regard to the future:

The next largest industry reporting layoffs is logging and sawmill. This has increased considerably for this reporting period and is at least two months earlier than usual. Many sawmills and logging operations are closing down throughout the entire area with some remaining closed and others working at a reduced rate.

I may mention that the Consolidated Mining and Smelting Company has had to lay off a number of men.

This condition, as reported by some, is brought about by lack of sales.

Something about which I have very close personal experience. Then the report goes on:

Wholesale and retail trades are reporting business slow with few hirings. We expect some increase with the coming of Christmas but it is anticipated the demand for sales clerks will not be as great this year.

Dealing with forestry, the report says:

Little activity has occurred for this reporting period. The extra crews hired during the summer season have now been laid off.

Of mining, the report says:

No hirings have occurred for this reporting period with little hope of an early recovery expected. We are well supplied with workers for this industry, and an increase of transient miners requesting work has passed through our office.

Of manufacturing:

To date approximately 150 workers have been laid off from Consolidated Mining and Smelting Company Limited. This has caused a sharp rise in our unemployed figures for the present.

Of construction:

A sharp increase of skilled and semi-skilled workers registering for employment has occurred throughout the period, with contracts in our previous reports being completed or nearing completion. No new contracts have been let and it is expected the situation will become worse as present contracts are completed.

Then the report goes on to deal with veterans.

Our special placements files have increased over the month, due to those working at seasonal employment. The majority of applicants registered are of the age group class and employment is limited.

These are the people who suffer the most, those who are unable to work in the mines, woods and mills. Then Mr. Wilkinson says:

Veteran files for October showed a slight increase over the previous month with the percentage of veterans against the total unemployed applicants being favourable with last year.

The women's division also reports increased unemployment, as does the executive and professional division.

Mr. Chairman, this represents a serious state of affairs in a constituency such as the one I have the honour to represent which produces such great wealth. It is one which presents increasing difficulties. The number of transients is increasing rapidly in both Nelson and in Trail, for the same conditions prevail in Nelson as I have mentioned. The city of Trail got all the agencies together and representatives from the organizations met, as a result of which the city has established a central agency for transients to be located in the city hall adjacent to the clothing centre and to be operated jointly by the Trail relief organization and the Trail welfare society. The decision to set up a central agency was taken at a meeting of representatives of interested organizations. Under the chairmanship of the city council's welfare chairman, Alderman F. E. DeVito, as reported in the Trail *Daily Times*, the talks were one in a series held to discuss the problem of growing numbers of unemployed transients passing through Trail.

Men out of work in other parts of British Columbia and, possibly, a good number of farmers who have ceased their farming operations on the prairies, come to Trail because it is known as a place where one can usually obtain employment. In discussing this question at the Trail town meeting Alderman Alex Brokenshire had this to say:

Things are rough and may get even rougher.

The whole tenor of this meeting was that the city was facing a situation with regard to transients which was only a reflection of the growing unemployment in other areas.

Mr. Chairman, as I said before, we believe we have to take a more fundamental approach if we are to correct this situation. Like the hon. member for Vancouver-Kingsway and others in this group I believe that something more could be done at this time to assist people to obtain employment. It is very easy to sit in this house, living a reasonably comfortable life, and fail to realize what unemployment means to the average head of a family and to the average mother of a family if it continues for any length of time, and I think we in this house should do everything possible regardless of party to promote a continual flow of ideas—and I am very glad to see the Minister of Labour nodding agreement—and proposals which will relieve the situation.

First, we believe that there should be in these circumstances not the formal and long

distance projects that, perhaps, we have come to expect from provincial conferences. We believe the federal government should say to the provinces: "Come to Ottawa; here is an immediate situation and we want your co-operation. Let us sit round the table and do something to meet it, at least during the winter months, or the few months ahead."

There are things which can be done if we use our intelligence. It is not enough to sit back and assume that large numbers of people must go on unemployment insurance or unemployment assistance and that others must wander along the streets with no source of income except a handout at a soup kitchen. That is not good enough, Mr. Chairman, in Canada at this time, bearing in mind the production of which Canada is capable. There are things that can be done. As I have said, I have had a most interesting life experience including the time I have spent in this house in the last 12 years. I have had something to do with the construction of highways and bridges and piers and I am trying to do something today toward the production of the Conservative party, though how successful I will be in that work I do not know.

I think this government could ensure that there is a certain amount of work continued on the trans-Canada highway as a result of co-operation with the provinces, particularly a province such as British Columbia where you can carry on heavy rock cuts all winter long and construct certain types of rock fills and high level bridges and things of that sort under winter conditions. In addition to that there is a lot of material required for this construction which normally will be continued in the spring, in the way of lumber, steel and things of that nature. A little planning and co-operation would make it possible to keep some of the sawmills going and would assist the steel industry in operating, if only we would look ahead and place some of these orders for the future. In addition to that I believe there is an opportunity to promote the necessary building on the prairies.

If in the period of the hungry thirties when the former Conservative government was in power—I will admit it was not then called the Progressive Conservative party—we had used our national credit to build highways, houses, public utilities and things of that sort we could have given the people employment at reasonable wages and at the same time accomplished the building of the necessary projects at at least one-quarter of the price. If we had had sufficient faith in our country this could have been done.

I suggest some co-operation is necessary between the governments on a very sound basis. I am all for getting people to work in order to earn their money rather than having them get it without work and I am sure a great majority of Canadians share that view. We could do something to improve the situation in the lumber industry by using the national credit to provide for the necessary buildings, home improvements and long-term loans for that purpose, and the construction of the granaries that are required to house the millions of bushels of grain which in some cases have to remain on the ground outdoors. These are things we can do and I have mentioned only a few but instead we sit around and mope and fail to take action.

In the first place this is not a party question. We should all be willing to co-operate for the sake of the people we are here to represent. In the second place we should use our intelligence and explore every avenue for the development of programs to create this necessary employment. That is something that could be done immediately. It has little to do with the political philosophy of any party in this house. Rather it is simply a reflection of ordinary Canadian common sense.

There is one thing we could do that would be of great assistance to British Columbia and it was mentioned by the hon. member for Vancouver-Kingsway; that is, to stop being stupid and recognize the government of China. We sent a trade mission in by way of the back door and although we do not recognize it we say we would like to do business with it. Let us recognize the government of China but do not recognize the form of government. Let us do something for the lumber, fish, mining and fruit industries in British Columbia and other parts of Canada.

Mr. Christian: Mr. Chairman, I would like first to agree with the hon. member for Kootenay West in relation to his attitude in respect of the matter of unemployment. I, too, feel that this is a problem which should be solved by all of us on a non-party basis. The hon. member for Kootenay West and I hail from the province of British Columbia which consists largely of mountains and valleys. As a result of this in many places in that province we suffer considerably from the problem of river erosion particularly during the heavy runoff of river waters in the spring of each year when a large amount of farmers' land disappears into the rivers causing the farmers a considerable loss. In my particular area there are two rivers, the Similkameen and the Kettle, which carry large quantities of water and do considerable damage especially in the spring of the year.

The farmers are extremely worried about losing so much of their fertile land.

I have in my hand a letter in the form of a resolution from the British Columbia farmers' institutes of Grand Forks, British Columbia, which reads as follows:

> Whereas erosion by rivers and streams continues to take a heavy toll each year of our best agricultural land, and whereas this loss is irreparable and is a net loss to the entire country, and whereas the British Columbia government has instituted a policy of investigation, survey and corrective measures whereby they would pay a maximum of 50 per cent of the cost of the required work, and whereas farmers and land owners whose land is being damaged cannot afford to pay more than a small fraction of the expense involved, therefore be it resolved that pressure be brought to bear immediately on the dominion government to work with the provincial authorities and assume up to 50 per cent of the cost involved in preventing further damage through erosion by said rivers and streams.

A number of months ago I personally obtained two petitions from farmers in the area who are of the opinion that the dominion and provincial governments should work out some equitable scheme for sharing the costs in order to prevent further damage by rivers.

One hon. gentleman who preceded the hon. member for Kootenay West mentioned that more was done in his constituency by the Conservative government than had been done by any other government but as far as my own constituency of Okanagan Boundary is concerned I am not in a position to say that because to my knowledge at the present time there is no works program or any substantial benefit that has been extended to that area.

Mr. MacInnis: I think you will find that he made reference to the maritimes and not to his own constituency.

Mr. Christian: Well, thank you very much; that may be the case. In any event I do not feel that preference should be shown to any particular constituency whatsoever. After all, we live in Canada and the work should be proportioned throughout the whole country as equitably as possible.

I wish to bring to the attention of the committee the matter of the Prairie Farm Rehabilitation Act. I personally feel the act was not properly named and that it should be called the Canadian farm rehabilitation act and its provisions applied and extended throughout the entire nation. I recently examined section 4 of the act which reads:

> The advisory committees shall consider and advise the minister as to the best methods to be adopted to secure the rehabilitation of the drought and soil drifting areas in the provinces of Manitoba, Saskatchewan and Alberta, and to develop and promote within these areas systems of farm practice, tree culture, water supply, land utilization and land settlement that will afford greater economic security, and to make such representations thereon to the minister as the advisory committees may deem expedient.

I fail to see why an act of such great importance should be limited in its application to three provinces. I observed not so long ago that the federal government intends to endeavour to assist the British Columbia fruit lands irrigation projects to the extent of some $200,000. As I understand it, this amount has already been earmarked by the federal government to assist this project which is located near the city of Kamloops in the province of British Columbia. The entire cost of the project will be $600,000. The provincial government is to assume one-third of the cost, or $200,000, and the balance is to be assumed by the local residents and I believe there has been a bond issue in that area. Veterans are affected by this project and the money contributed by the federal government is authorized pursuant to the provisions of the Veterans' Land Act. I am all in favour of helping the veterans in so far as this project is concerned.

I should also like to mention certain other projects throughout my own province of British Columbia. There are a number of irrigation districts in the province of British Columbia which are having a difficult time with their financing. Quite a number of them have barely enough money to meet the current expenses of the irrigation district, and when it comes to a question of various capital renewals, in so far as irrigation systems are concerned, they just have not the money to do it and they are in a very serious state. In some of these particular irrigation districts there are veterans who are actually on those properties. I personally do not think you can justify the expenditure of $200,000 by the federal government to help veterans—I am in favour of helping them—and yet not extend the same relief and benefit to other irrigation districts throughout the country. I personally know of a number of them in British Columbia. No doubt there is a large number of others throughout the Dominion of Canada, but I believe we should treat all those irrigation districts in the same way for the benefit of all Canadians.

Mr. Fleming: Mr. Chairman, on a point of order, I do not wish to interrupt my hon. friend's speech but the practice has not been in the past for speeches, which would normally be made on estimates, to be made on motions for interim supply. These motions in times past, as hon. members opposite will recall, have been dispatched very quickly. The whole purpose of any minister of finance in giving to the house the assurance that all rights of members of the house to discuss any item on the estimates will be preserved is just to assure to hon. members that they will have an opportunity later in the session, when the estimates of the departments are

before the committee of supply, to make whatever speeches are relevant and pertinent to the estimates of the department. But, Mr. Chairman, what we are having here today is a discussion of estimates or the equivalent of a debate on a motion to resolve the house into committee of supply. This is a far departure from the practice of the house on motions for interim supply. It is utterly profitless for a minister of finance to give hon. members assurances that their rights to discuss any matter that is pertinent to any items of the estimates shall be preserved if we are to have a debate on these matters today and then a debate on the same matters when the estimates are before the house in committee of supply.

Now, we have had complaints today, a good many of them, about delay of items on the order paper. Mr. Chairman, with all respect, we are just going to be that much more delayed in reaching those items on the order paper, many important items, many pressing items, if we are to have two debates, one on the motion for interim supply and then again the same thing on the estimates of the various departments. I would urge, Mr. Chairman, that the time-honoured practice of the house should be observed on motions for interim supply.

I think I can recall only one occasion prior to this session where there was anything like a discussion on a motion for interim supply. Ministers of finance who have preceded me in every case have pressed and insisted, because of the preservation of the rights of members to bring their matters up on the estimates of the various departments, that there should not be extended debate on a motion for interim supply; nor should a wide variety of matters be introduced under the heading of grievance, or anything of that kind. Such a debate as is now proceeding, it seems to me with great respect, is not at all proper on a motion for interim supply.

Mr. Quelch: On the point of order, when the leader of this group spoke he pointed out that we were quite prepared to co-operate and let this motion go through with very little debate. But what has happened? Speaker after speaker from different parties has risen in his place and discussed the question of unemployment. If the minister considered it necessary to object, why did he not object when one member from his own party was speaking at some length on this particular question? This is only our second speaker. When the question of unemployment is discussed by member after member have we to sit in this corner and say nothing? If the minister wants to object, let him object at the proper time and not wait until a member from this group rises for the first time in the debate. He should have raised the objection right at the very start when the debate on unemployment started and when a member from his own party spoke on it at some length.

Mr. Fleming: Mr. Chairman, I suppose it is quite obvious to most hon. members that when in a situation like that arising this morning, when we were told by the hon. member for Winnipeg North Centre, that several of his members wished to speak but briefly, any minister who is offering a motion for interim supply sits back and says, it may be they will be brief but, as happened this afternoon, we have just gone on with the speeches growing longer and longer. It is quite apparent, I am sure, to the hon. member for Acadia, being the reasonable man that he is, that we are now hearing a speech on irrigation. We have been everywhere today. We have had speeches on the recognition of the Chinese communist government and we have had some speeches on unemployment. We have departed far from the simple indication that we had from the hon. member for Winnipeg North Centre when he spoke very briefly this morning.

What is the situation? I have given to the hon. member who has been speaking the assurance that he will have full opportunity to make his speech on irrigation on the proper item in the estimates of the department that is concerned; but, Mr. Chairman, we are just going to have duplication of debate and hon. members will just be faced with the situation of which they are complaining, namely that they cannot reach some later item on the order paper. We will not be able to begin the discussion of the later item unless we have some regard for the practice and the true purpose of discussion in regard to motions for interim supply.

Mr. Christian: I will be glad to co-operate in this respect, as I always wish to do. However, I would say this. As I sat here I could see that some members were speaking about coal and others were speaking about unemployment, and I followed the practice of the day. I think I have a reasonable attitude, Mr. Chairman. However, I will cut my remarks as short as possible. The only point I was trying to make was that I felt that as between irrigation projects in Canada there should be no such thing as discrimination. There is a great need for the dominion and provincial governments to co-operate and help some of the unfortunate irrigation districts, particularly in the province of British Columbia. Thank you, Mr. Chairman.

Mr. McIvor: Mr. Chairman, since the estimates of the Postmaster General will not be discussed I have a burning question. I will take only about three minutes. We have had a daily mail—

Mr. Fleming: May I tell my hon. friend that there are a couple of items of further supplementary estimates of the Post Office Department that have yet to come before the committee of supply.

Mr. McIvor: I could have been through by this time.

(Translation):

Mr. Boulanger: Mr. Chairman, mindful of what the Minister of Finance (Mr. Fleming) has said I will try to be as brief as possible. However I do wish to offer some remarks on the situation of the textile industry in this country, more particularly in my constituency, which includes the town of Drummondville where about 80 per cent of the people depend upon that particular industry for their living.

The government is well aware of the importance of this industry in the nation's economy. According to a report of the Primary Textile Institute 80,000 people are employed in this industry which ranks ahead of the iron and steel industry which employs 29,000 people and the pulp and paper industry which employs 62,000.

Besides the fact that its capital is 84 per cent Canadian, the textile industry also pays the highest wages in this country, averaging $1.20 an hour whereas in 1954, in Great Britain, the average hourly wage was 44 cents, as against 15 cents in Japan and 12 cents in India. The industry is further handicapped by competition resulting from British preferential tariffs.

At the present time, the Canadian textile industry supplies approximately 46 percent of the needs of the domestic market whereas last year the corresponding figure was 56 per cent. This 10 per cent decrease represents work which could have been carried out by our Canadian workers and, consequently, explains the present unemployment.

Comparing the present figures to last year's we find that the textile industry now employs 3,000 fewer people than it did then, which means 3,000 more unemployed. If we look at the situation in the Dominion Textile plant in Drummondville, we find that on November 2, 1957 there were 210 employees less than on November 3, 1956, a figure which must be considered in the light of the fact that that industry employs 1,000 people. There is unemployment therefore in Drummondville, as in every other community with a textile industry. That is why I felt that I should call the government's attention, this afternoon, to what, in my estimation, is a rather serious situation.

Two suggestions have been made in this connection by the Canadian association of textile manufacturers. To begin with there should obviously be a change in the definition of the word "dumping" which favours export of American products to Canada below cost price.

The Templon Spinning Mills Company, of Drummondville, sent a letter recently to the Minister of National Revenue (Mr. Nowlan). Here is one paragraph from that letter:

(Text):

We suggest that an investigation of the declared price of American yarns being imported into this country be started. Templon Spinning Mills (Canada) Limited are prepared to provide your department with American orlon prices now in force in the United States, and we are sure that the rest of the Canadian synthetic spinners will be glad to supply similar information from their sources.

(Translation):

This clearly shows that the government must take action to correct the situation. If I felt justified in taking part in the debate this afternoon it is because I feel the matter to be urgent. I would have liked to speak at greater length but I will close now by asking the government to act as soon as possible.

(Text):

Mr. Barnett: Had it not been for the recent remarks of the Minister of Finance I might have been disposed to remain silent and not utter the thoughts that crossed my mind this morning when he was giving us this usual solemn assurance about reserving the right to the committee to full discussion of the estimates.

Mr. Fleming: Yes, on the estimates.

Mr. Barnett: However, having listened to his recent remarks I must remind him that at least two of his colleagues, namely the Prime Minister and the house leader, have been making very strong suggestions to us that they expected us to have completely dealt with the estimates prior to the Christmas recess. They have also been taking some steps to foreshorten the normal opportunities in this house to discuss some of the problems of the Canadian people under motions for supply. I feel, therefore, that perhaps it is not inappropriate that we should seize this occasion to raise such matters as have been raised by hon. members like the hon. member for Vancouver-Kingsway. Having said that, I assure the Minister of Finance I am going to express what I have to say as briefly as possible.

My colleague, the hon. member for Kootenay West, attempted to offer some constructive suggestion as to how the immediate unemployment situation that has developed in some areas of the country be handled. I have a matter which I might normally have raised as a matter of departmental policy on the estimates of the Department of Fisheries, but in view of the urgency of the unemployment situation as described by my colleague the member for Vancouver-Kingsway I feel it can very appropriately be related to the remarks that were made by him, by the hon. member for Kootenay West and others. On two recent occasions I have made some mention in the house of the fact that on Vancouver island and in other parts of British Columbia there are more than the usual number of unemployed loggers as well as a large number of qualified construction workers who are now without jobs and seeking work. For that reason I should like to mention this as part of the national development policy about which the party to which the Minister of Finance belongs have been having quite a bit to say.

The Minister of Finance may or may not know that along the coastal area of British Columbia we have several hundred streams which are used by our Pacific salmon for spawning purposes. Some of these streams are in the more rugged and undeveloped parts of the Pacific coast. One of the facts that has often been brought out in reports by the federal Department of Fisheries is that, as a result of these streams being in undeveloped areas, nature continues to take its course so far as the facilities of the salmon for spawning are concerned. I have discussed on former estimates of the Department of Fisheries the reports that have been made that flash floods cause a loss of a good deal of the potential future salmon runs. In view of the unemployment situation amongst loggers and construction workers, now would be a very good time to undertake on a much larger scale than has heretofore been undertaken the development and improvement of our salmon spawning streams along the Pacific coast. This is the type of work for which the unemployed loggers and unemployed construction workers would be particularly suited. Much of this work could be done at low levels where there would not be any great difficulty in carrying on work during the winter, even though it might not be the most pleasant time of the year to do it.

The whole question of carrying on a development program which would have the effect of decreasing the damage caused salmon streams as a result of logging activity when it is going at full blast is something that could be considered in a program of this kind.

As I said to the minister, Mr. Chairman, I intend to be as brief as I can in stating this point. But I do feel, in view of the unemployment situation which has been brought to the attention of the government and which probably will be brought to their attention to an increasing extent as the days go by unless something is done, that this is a practical sort of suggestion which could very well be carried out at this time. It is not the sort of thing which, as the hon. member for Kootenay West said, need divide us on partisan political lines but something which, as far as I can see, is a genuine suggestion to meet the immediate situation and provide employment opportunities to some of the people of British Columbia who at the present time have not got those opportunities.

Mr. McMillan: Mr. Chairman, I notified the Minister of Finance that I wanted to discuss the earlier vesting of pension rights. It would take me about ten minutes to do so but I am willing to co-operate with his request in order that the work of the house may progress. I think I can deal with the matter later under his estimates.

Mr. Irwin: Mr. Chairman, I fully appreciate the attitude of the Minister of Finance. Being here under the conditions I am and having regard to the position I occupied previous to coming here I suppose I should be one of the last to break either the rules of the house or its precedents. I do not intend to do that. So far as interim supply is concerned, I am quite willing to let the minister go ahead. Let us get on with the job, but there is one thing I should like to point out to him. I must protest the action he takes when he brings an interim supply motion before the house and does not give all members a list of what he proposes to do. He may say, of course, that he has not had time to prepare a list but I noted that he provided one for the leaders of each group and I suppose for each member of the cabinet. If that is possible, I suggest to him it is equally possible to mimeograph it and let all members have it.

After all we are not mind readers and when it comes to relating one-twelfth of an item that is in the blue book, plus the supplementary estimates, I put it to him that it requires quite a feat of mental acrobatics in order to be able to relate the one to the other. When he gets down into cents and tells us that one amount is one-twelfth of another amount of money it would be helpful if we could compare the two and make sure he is correct because, after all, we are policemen

so far as the Minister of Finance is concerned and we want to carry out our duties. I suggest to him that when he brings interim supply before the house in the future, as he probably will do, that he take steps to have all members provided with a list of the things that he proposes to do so that we will at least know what we are talking about.

(*Translation*):

Mr. Begin: Mr. Chairman, I feel I should take this opportunity provided by the motion for interim supply, representing one-twelfth of the total estimates of those departments which have not as yet been adopted, to bring to the attention of the house the acute unemployment situation in the city of Quebec and, more particularly, in the constituency of Quebec West.

If unemployment is now on the increase, it is due primarily to the Canadian people's lack of confidence in the present government. Another cause is the fact that the government has no definite policy but prefers to drift along and to attempt to take advantage of opportunities most likely to strike the voters' fancy.

(*Text*):

Mr. Fleming: Mr. Chairman, again I must rise and appeal to my hon. friend and to the house. My hon. friend has indicated he is going to make a speech relating to a matter that can properly be raised on the estimates. Again I respectfully remind him that I have given to the house the assurance that these estimates will be open for discussion. The ministers of the various departments will be before the committee of supply with their estimates throughout the session and any speech that is relevant to any item of the estimates can be made. But, Mr. Speaker, we are just going to have duplication of debate if we are going to go on as we are today—just duplication.

(*Translation*):

Mr. Begin: Mr. Chairman, I have listened fairly regularly to the speeches which have been made since the beginning of this debate on interim supply. As members have spoken on just about everything, I do not see why I would be discriminated against and prevented from making a few remarks on the subject of unemployment.

At one time the western farmers could not sell their wheat so the house voted an amount of $150 million for cash advances. But what does the government propose to do about our unemployed? Is it planning to set up 20 cents a day camps again, as under the Bennett administration? What amount is the government planning to spend during the next four or five months? The government should not concentrate all its attention on the next election, but should be providing for women and children who will suffer from cold and hunger this winter.

The people in my constituency have done their share; when our country was threatened, they agreed to all the sacrifices called for by the authorities. Today the workers' families are facing the threat of unemployment, and it is our duty to help them in their hour of need. When our country was threatened, all our resources and all our wealth were drawn upon. Well, for goodness sake, let us do something for the worker's family!

In Quebec city, there are considerable and urgent works to be done, but unfortunately, the municipality cannot afford to undertake them. However, since there is very serious unemployment there, the federal government not only can but must carry them out as soon as possible.

There is first the cleaning up of the Lairet river and the dredging of the St. Charles river, two projects which were mentioned more than once in this house. The shores of the St. Charles river could be finished with ornamental stone in some attractive way, as was done in many other cities. This river runs through Quebec city and such works would greatly help beautify the city and would also help solve the unemployment problem.

May I also point out that the building of a post office would provide jobs for large numbers of workers. The government should urge the Canadian National authorities to settle this problem once and for all and then call for tenders at once.

It might be advisable to take again under consideration the proposal that old age pensions be payable at age 65 instead of 70. Workers forced to retire at 65, as happens in most cases, would thus have some means of support even if they were unable to lay anything aside while they held jobs. We all know that at the present time it is just about impossible for this class of people to find jobs. The old age pension should therefore be made universally payable at 65.

Also located in my constituency is the Savory Park hospital, in the municipality of Quebec West. Well, that institution even lacks an auditorium where patients could be entertained. There again, the works could be carried out during the winter. Among the patients are Hungarians and Eskimos, and it seems to me that we should provide them with recreational facilities which could not fail to relieve some of the bitterness they certainly feel in their heart not only as patients but as expatriates. Moreover, the northeastern side of the hospital is only

a few feet away from houses which the department of national health and welfare should expropriate so as to give the patients something better to look at, namely the city of Quebec.

In closing, I make a very special invitation to members of parliament to visit Quebec city during the winter carnival. This would be another way of helping solve the unemployment problem in Quebec. I should first mention that Quebec city is the centre of a magnificent winter carnival. So, it would be a great pleasure for me if all members of the house made it a point to visit our beautiful city and take part in the merry-making of the winter carnival.

(*Text*):

Mr. Castleden: I only wish to take a few moments of the time of the house to discuss a matter of urgency in the particular area of Canada from which I come, namely the prairie provinces. This really is a matter of urgency. We have heard a considerable amount of reference this afternoon to the subject of unemployment from members from all parts of Canada. It is a good thing for Canada, I think, that we are hearing these stories. It seems that the procedure of parliament is a little better than it was a year ago when we did not hear so much about conditions in the maritimes, particularly on the coast.

Of course we have been hearing stories of the emergency situation in the prairie provinces for a good many years. I cannot say that people in the prairie region are unemployed; they are busy and they have been busy. They have produced some tremendous crops; the only trouble with us is that while the men have been working, they have received no pay. Perhaps one of the causes has been the heavy crops and that Canada is not delivering its grain and has not been able to sell sufficient of its farm produce. The government is not getting rid of the grain, and as a result there is a backlog in the storage of grain in Canada today which is the greatest in the history of this country. The records will show that there is overstorage in the elevators, at the terminals and in the interior of the country; in almost every place in the prairies we have storage elevators filled to capacity.

The farmer in the past few years has not been able to deliver sufficient grain to pay his operating expenses; I would say not even 60 per cent of his operating expenses. Over the past four years we have been urging the government to undertake a job of building storage facilities in Canada which will take care of the grain left on the farm, grain which under the present conditions is spoiling, but the government has not seen fit to undertake such a program.

I would suggest to the government this afternoon that they could well undertake such a program of grain storage which would benefit a large number of people. However, first of all it would benefit the farmers who are unable to deliver their grain. At the present time the farmer is forced to try and make storage available, but in many cases he is unable to afford to do so. As anyone who has travelled across the prairies during the fall in the past few years will have noticed, there are piles of grain stacked in millions of bushels because there is not sufficient storage space for it. Grain piled in the open on the prairies or put into open bins because the farmer is already loaded to capacity cannot be left in such a way without a certain percentage of spoilage. The farmers' own bins are inadequate and there is a lot of spoilage due to the moisture leaking in at the sides.

This is a criminal waste in the first place, especially in a world where there are two billion people going hungry and it is a waste which should not be allowed to occur. Under the present circumstances the farmer has to take the loss in the form of spoiled grain which he cannot use and which is probably thrown away. He may be able to use a certain portion of it for feed but I am sure I am safe in saying there are millions of bushels each year wasted on the western prairies because of the lack of storage.

The providing of these facilities would do a lot of good; it would provide work for the unemployed and it would provide a use for our lumber. It would be a good thing for Canada generally because the figures show that as a result of improved efficiency more and more grain could be produced. Our average production over the years is increasing but there is a decline in the quantity which the country is able to sell.

The Minister of Trade and Commerce in reply to questions this afternoon indicated that the government has no program for disposal of surplus agricultural products to undeveloped countries where the people need it most. This is because these countries have no dollars with which to buy this food. Well I suggest to this government that the country should have a surplus agricultural disposal

policy which makes it possible to get rid of our surplus agricultural products.

If we in the democracies wish to show that we have something better than guns to offer to the world it would be a good thing for this country to formulate such a policy and undertake a program of such disposal to these countries. Give it to them. Today the farmer is losing it anyway; a lot of it is just wasted. It would be much better to give it away than to leave it where it is.

The government could undertake a program of giving to these countries which have no Canadian dollars the food they need to prevent them from suffering the starvation which faces them every day. We would, after all, be giving to those who need it a commodity of which Canada has so much. Aside from the humanitarian aspects of the situation, at least it would be better than letting it spoil.

On the other hand, if we had at least another 200 billion bushels' storage space in this country it could be used to capacity, and this would certainly relieve the situation as far as the farmer is concerned. The farmer is now forced to bear the brunt. As I say, he is employed all right but he gets no pay for his trouble. If he can sell another 300 million bushels this fall that would also relieve the situation considerably.

These farmers are in desperate straits with about 80 per cent of them hanging on the ropes and about 10 per cent having given up and left the farm. I urge this government to look deeply into this matter and they may find they can solve a number of problems. First of all they could provide some employment; secondly they could ease an industry which today is in desperate circumstances. I could tell stories of farmers who are trying to operate their farms, but because they have not been allowed to deliver their grain they have no money with which to pay their taxes. This has meant that the farmer has left the farm in the winter, leaving his wife and probably a couple of little children and the wife has had to feed the cattle and take care of the home while he goes to the bush or out to Kitimat to try to earn some money to keep the family going. He comes back in the spring and again puts in his crop in the hope that he will be able to hang on and deliver his grain and make a living out of the agricultural industry.

Surely it is not wrong that a farmer should be growing grain when the world is hungry. Surely Canada can play its part in seeing that these grain crops go to the hungry people of the world. The government knows that the present program of the Colombo plan is not enough. Other countries can get their surplus agricultural products out to the world; Canada should adopt a policy whereby she could take at least a portion of these surpluses and feed these people. Surely the government should be willing to undertake part of such an expenditure. I maintain it would be good defence for Canada to earn friends among the underprivileged nations of the world. We can waste billions of dollars on defence, upon armaments which are obsolete when delivered. Surely a portion of that money could be directed into the agricultural field to introduce a disposal program of our agricultural surplus products, and help to do away with the injustice which exists today in agricultural policies, and provide Canada with a food bank which may be useful in the years to come.

The former government made the mistake of constantly telling the house that everything was all right, that this was merely a temporary condition. I pointed out to the then minister of trade and commerce on more than one occasion that because of the conditions existing in the world today and because of the difficulties of our foreign markets the farmer was in a position where he was less and less able to deliver the grain he grows; and today grain deliveries are gradually resolving themselves into a mere trickle. I can show the committee farmers in the west who have to store grain grown three years ago. Today the grade is down because of the long period of storage. Who is taking that loss? Feed companies go around and offer farmers 60 cents a bushel for No. 3 wheat so they can make feed out of it within the province where the transaction does not come under the wheat board act. Again, the farmer is taking the loss. I do not know any other industry in which the cost-price squeeze has closed out the little fellow to the extent it has done in agriculture. What I have been suggesting is one way of making it possible for these people to carry on in the great work we are doing, the constructive and necessary work of growing food for a hungry world.

Mr. Argue: Mr. Chairman, I think we have something like 20 items of legislation already slated to be passed during the current session, and I believe a suggestion has been made by the hon. member for Rosthern which the government should consider very carefully, that is, referring the estimates of some of the departments to various committees for consideration. One obvious example which comes to my mind is the setting up of an estimates committee to which the estimates of certain departments might be referred. I think the estimates of the Department of Agriculture

could be referred to the standing committee on agriculture and colonization. I firmly believe that if the government were prepared to adopt this suggestion it would first of all enable a more thorough scrutiny by the members of this house and, secondly, it would facilitate the dispatch of business in this house.

I think I can say for the members of this group who have taken an interest in agriculture over the years that if our members on the agricultural committee had an opportunity of going over the estimates of the Department of Agriculture that would very materially shorten the length of time taken in this house in discussing the estimates of that department. I think the members of this house in the opposition parties are prepared to facilitate the business of the house.

It would seem to me that the attitude of the government is to pile more and more legislation upon us without giving us an opportunity to deal with the legislation. It is doing that by listing the estimates as a major part of the work in any week. This would seem to me to be the manoeuvre which the government itself is adopting; one which is making it very difficult, if not impossible, for members to deal adequately with all the measures and with all the estimates that are being placed before this house. I suggest to the government that if they are sincere in wanting the legislation which they have now placed on the order paper passed at an early date they should refer the estimates of some of the departments to various committees of the house. By so doing they would facilitate the business of the house, the passage of the estimates and the passage of the important legislation that has been placed before us.

Mr. Churchill: How do we get interim supply through?

Mr. Argue: I am going to deal with the hon. minister later on. He might save his interjections until then.

Mr. Churchill: I will have some more then. How do we get interim supply?

Mr. Argue: I think the attitude of the government is confirming, as the days go on, some of the things one hears around this building from members of the press and hon. members in all parties, namely that the government does not intend to bring in a budget before the next election, and that it is following a very deliberate policy of making certain that it shall not present a balance sheet to the people of this country. We know that the government is committed to heavy additional expenditure. We hear it suggested that there may be certain reductions in taxation, and the government has, in fact, promised that these reductions will be made. So there is a growing feeling that the government, if it did present the budget, could do nothing but come up with a very substantial deficit. But rather than face the need to bring a strict accounting of government expenditures before this house and the people of Canada by way of presenting a balance sheet, this government is taking a roundabout method of piling legislation before us and listing departmental estimates as the order of business for a large part of the time with the possibility in mind that when we get some weeks further on and, perhaps, the national convention of the Liberal party is out of the way, by their own manoeuvre they will be able to say: there is a lot of legislation which is not passed, legislation we have not been able to get passed; there are a lot of estimates which are not through, estimates we have been wanting to get through; we are being obstructed; now is the time to call an election, a winter election.

As far as I am concerned the people of this country feel it is the duty of the government and of parliament to deal with the legislation and to pass it, and I believe it is the government, and not anybody in the opposition which is attempting to delay the passage of legislation and the passage of the estimates.

Mr. Churchill: We have some legislation before you right now. Sit down, and let us get on with it.

Mr. Argue: I suggest it would be better if the government adopted some of the things they suggested while in opposition with regard to sending these matters to committees for full discussion. It would expedite the business of the house and allay this growing belief that the government is jockeying itself into a position where it can, by way of a phony excuse, pull the plug and have an early election. It seems to me that the government, the members of the cabinet and the government supporters who go out and make speeches in the country have one common theme, and that is the imminence of a general election.

Mr. Churchill: Would you like one?

Mr. Argue: The Minister of Trade and Commerce has been interrupting and he seems much more anxious to place comments on the record when someone else has the floor

than when he is questioned in the house. I think the government would gain support among agricultural producers in this country if it brought in its own legislation to provide price supports.

Mr. Lambert: Well, let us get to it.

Mr. Argue: We have been campaigning since the government announced its legislation on October 31 to have this particular legislation called early so it could be dealt with by the house. I am informed now that in the interim period an emergency meeting has been called by the board of the Canadian Confederation of Agriculture which will be held on Thursday and Friday of this week. It is my belief that the government had no intention whatever of showing this bill to the people of this country at this time whether or not we had dealt with the resolution.

I directed a question to the Minister of Finance yesterday as to news reports to the effect that the cabinet in the United States had asked that a further $1½ billion vote be given by congress to carry on and extend the United States surplus disposal program and the Minister of Finance referred that question to the Minister of Trade and Commerce for an answer. We received from the latter gentleman what I thought was a very off the cuff answer, one that had not been particularly well thought out, when he said he did not see any danger in this further appropriation because he did not feel it was interfering with Canadian markets.

Mr. Churchill: I did not say that.

Mr. Argue: You can check the record and confirm it.

Mr. Churchill: I said it constituted no danger with regard to the assurances they gave us concerning it.

Mr. Argue: All right, it constitutes no danger in the light of the assurances they gave you. I think from recent events that the chance remark by a high official in the United States that hit the press, "We fixed them", is becoming more and more significant because these news reports—the minister can correct them if they are wrong—say that this money will be appropriated for the purpose of selling, bartering or giving away additional produce. I therefore raise the question, has the government an assurance that this proposal that is being placed before congress does not provide money for a continuation of the United States barter program? The news item to which I referred appeared in the *Globe and Mail* on November 18. I have another one saying much the same thing taken from the Manitoba *Co-operator* of November 28. That report reads:

> Mr. Benson also said he would ask that at least an additional $1 billion of surplus farm commodities be shipped abroad to be sold, bartered or given away.

The United States proposal to congress is definitely for an expansion in the United States surplus disposal program and that program will mean an increase in the shipments of United States agricultural products to many countries in the world. I ask this government what its policy is for Canada to ensure that Canadian producers will enjoy their fair share of the world market in food. In many of its policies the United States is doing laudable things. Unlike this government the government of that country has adopted the position that surplus food in the United States should be made available to feed the people of the world but this government apparently is content to allow the grain to continue piling up. It has not announced any new policy that will mean a larger expansion in the sale of Canadian agricultural products. The government has turned its back on the many suggestions that have already been made to expand the sale of Canadian agricultural products and improve the income of agricultural producers. As a matter of fact, the record of this government to date as far as the Canadian agricultural producer is concerned is a tragic one. Until this time in this session the agricultural producer has been forgotten and despite the fact that members of this government were loud in their statements that they had policies to deal with falling farm income we have not yet heard what those policies are.

Mr. Dupuis: Promises for the next election.

Mr. Argue: As the days go on the farm organizations in this country are expressing more frequently their concern that the government is in fact floundering and has not a policy to deal with this situation. I asked the Minister of Trade and Commerce this morning whether he had made the statement reported in the Regina *Leader-Post* which I quoted from memory to the effect that the government did not believe that the wheat producers of this country should be subsidized.

Mr. Churchill: I never said that. You can keep on quoting it but that will not prove I said it. You can quote it all over the country if you wish.

Mr. Argue: I have not quoted it yet so just contain yourself until I get around to quoting.

Mr. Churchill: I tell you I did not say that.

Mr. Argue: The minister says he did not say that.

Mr. Churchill: No, I did not say it but I know you will keep repeating it and attempt to make people believe I did.

Mr. Argue: Very well, I will quote it.

Mr. Churchill: All right, quote it right across the country; yes.

Mr. Argue: There have been many comments made by the minister which he would like to withdraw. During this session we have already seen the minister rise on more than one occasion to amend things which he said. In fact, I think he did so today in reference to the list of the personnel who were in his own trade delegation. Interestingly enough, he corrected it only after it had been brought to his attention; he did not discover it himself. The minister made an extremely ridiculous statement in a speech in the month of September and I am not going to attempt to quote it to him at this time.

Mr. Churchill: Why not? Keep on with your unfair statements.

Mr. Argue: The minister made a ridiculous statement in suggesting that the acreage in wheat should be reduced in the long-term policy and livestock production increased—

Mr. Churchill: Nonsense.

Mr. Argue: —and I do not think that any member of the cabinet since the government was elected has burnt his fingers on any statement like the Minister of Trade and Commerce did with regard to that statement because it is something that has been quoted and referred to in editorial comment in the main farm papers of the nation. There is not a farm organization of which I am aware that agrees with the statement the Minister of Trade and Commerce made.

Mr. Churchill: Except that there are resolutions passed by the interprovincial farm union council along the same lines.

Mr. Argue: I do not think so. I do not think any farm organization suggests there should be a further reduction in the acreage of wheat. There has been a substantial reduction in wheat acreage in the last three years and the Minister of Trade and Commerce has suggested that there should be an increased production of livestock, looking to the future.

Mr. Churchill: You bet. There will be a population of 40 million in Canada some day.

Mr. Argue: The minister says he did not make the statement that is reported in the *Leader-Post* but I will quote it anyway.

Mr. Churchill: Yes, quote it.

[Mr. Argue.]

Mr. Argue: Yes, I will put it on the record. This statement was taken from the Regina *Leader-Post* of November 15, 1957 at page 3. The headline reads:

No Need for Wheat Subsidies to Growers

The body of the article reads:

Government subsidies for Canadian wheat growers are not needed at present is the opinion of trade and commerce minister Gordon Churchill.

Interviewed Friday by the *Leader-Post* in Hotel Saskatchewan where he later spoke to delegates to the Saskatchewan wheat pool annual meeting he said:—

The following is in quotation marks:

"We haven't yet reached the stage where we have to subsidize the wheat grower."

And further on:

Subsidizing Canadian wheat growers at present would only, in the long run, aggravate world trade conditions.

Mr. Churchill: Mr. Chairman, on a point of order. The hon. member for Assiniboia has made the statement in this committee to the effect that I said something which he has read from a newspaper. I have already said that I did not make that statement. The normal custom of this house, I submit, is to accept the statement of a member; in fact, the rules bear it out but my hon. friend apparently is not acquainted with that fact.

Mr. Argue: I will accept any statement or any correction.

Mr. Benidickson:. On the point of order, in this debate I believe the Minister of Trade and Commerce can speak for 30 minutes as often as he wishes in reply to the hon. member for Assiniboia.

Mr. Fleming: That is not a point of order.

Mr. Argue: I think the minister should contain himself until I have completed quoting from this statement. If he wishes to rise afterwards and say that the Regina *Leader-Post* reporter who took this statement, apparently in an interview, so it says, in the Hotel Saskatchewan some time before the minister addressed the annual wheat pool convention, misquoted him, of course it is his right so to do and I shall accept any further interpretation or any change or any denial he makes with respect to this statement; but I would like the right—which I think is my privilege—to go on and finish quoting from this article.

Mr. Churchill: I am glad you are accepting the explanation, though.

Mr. Argue: I quote:

He believes Canada has a good chance to recover the proportion of sales of wheat on world markets which she lost recently, that sales will remain at the average over the past and that prices will be maintained.

Subsidizing Canadian wheat growers at present would only, in the long run, aggravate world trade conditions.

If the minister does not think that subsidizing wheat at this time would further aggravate world trade conditions, according to the report of the interview he gave, he should say so. If the minister has not said that the farmers should not be subsidized, then he should stand up and say that the farmers should be subsidized, that it is the policy of the government to provide deficiency payments, because he cannot have it both ways. But I can tell him that the annual wheat pool convention to which he spoke was anything but satisfied with the presentation given to them by the minister, and they are anything but satisfied with the record of his own department and the record of the government in this field. I say that because I am informed, and I believe reliably informed, that not too long after the minister had made his speech and had left the annual meeting a very important resolution was passed. Again I am informed from what I believe are reliable quarters that the resolution passed without a dissenting voice and without a dissenting vote. The resolution said that the Saskatchewan wheat pool organization should organize, unless there is an immediate change in government policy a mass delegation of people from Saskatchewan to Ottawa to interview the government and try to get it to change the disastrous course it is now following. The minister can rise in his place and he can contradict this statement and he can defend his position, if he can, but the fact is that in the present crop year as compared with the period in the crop year one year ago, about which his party complained so much, combined exports of all grains are down; prices are softening and the farmer's cost of production is going up.

The point is that the Saskatchewan wheat pool, a responsible organization, and one of the most important farm organizations in Canada and a very important part of the Canadian Federation of Agriculture, was so displeased with the government's record in this field that they are considering the organization of a mass delegation to come to Ottawa. I believe the last time the Saskatchewan wheat pool organized a mass delegation was in 1942, when a delegation of some 400 farmers and businessmen came from the prairies to interview the government of the day to protest conditions at that time. The cycle is now apparently about complete. Unless this government changes its policy which today threatens the very existence of the agricultural industry in all parts of Canada, unless it does something to stabilize prices, as far as the agricultural industry is concerned, farmers are so dissatisfied that they are prepared to take the kind of action to which I have referred.

Mr. Churchill: Mr. Chairman, may I correct one of the inaccuracies in the hon. member's speech which was filled with inaccuracies. I hold in my hand the dominion bureau of statistics report, dated November 6, 1957, which shows Canada's exports of wheat for the month of September, compared with the month of September last year. The figures show that for the month of September this year the export of wheat exceeded the export of wheat last year and the hon. member would find that the same thing is true for the month of August.

Mr. Argue: To show that I was not inaccurate, Mr. Chairman, and the minister was not correcting any inaccuracies, I did not mention any two months. I said that in the current crop year to date the exports of all grains from this country is less than it was in the same period a year ago, about which the members of the opposition at that time complained so bitterly. I repeat that statement, and it is true. I have the last figures here to prove it. They are taken from the board of grain commissioners for Canada statistics, annual Canadian grain position, close of business, Wednesday, November 20, 1957. Let us take wheat. To date, from August 1 to November 20, exports were 78½ million bushels. A year ago exports were 85.9 million bushels. There is a drop of some 7 million bushels. Therefore, wheat exports have worsened by 7 million bushels.

We now come to oats. This is the commodity that the government is proud of. It says the exports are increasing. It is a great record, so the minister said to me on a previous occasion. A year ago the exports in that period were .2 million bushels. This year they were 1.2 million bushels. Therefore, there is a marvellous increase of 1 million bushels.

Mr. Benidickson: Not dollarwise.

Mr. Argue: No; oats, of course, is a cheap commodity so far as grain is concerned. In barley the exports a year ago were 22 million bushels in that period, and under the aggressive sales policy of the minister, under the policy that the government is now following to correct the position of the agricultural producers of this country, exports of barley have fallen from 22 million bushels to 7 million bushels. I could go on and give the exact figures for rye and flaxseed but the total for all grains from August 1 to November 20 a year ago were 112 million bushels. The exports of all of these grains for the same period this year have fallen to 90½

million bushels, or a drop of almost 22 million bushels in that period. Thus the government's export record is a dismal failure. Agricultural producers are finding that their income is falling.

The hon. member for Kindersley has also placed on the record figures to show that marketings in this year to date are just over half of farm marketings on the average for a 10-year period. I suggest that the Minister of Trade and Commerce, rather than claiming inaccuracies in the statements that do not exist, would be making far better use of his time if he gave his talents to bringing forward a policy in his department which would expand Canadian exports and increase the income of agricultural producers and, above all, correct the very serious price-cost squeeze that today is bankrupting tens of thousands of farmers.

Mr. Churchill: Canada's exports of wheat are increasing, as the hon. member knows.

Mr. Fleming: We have witnessed today, I think, an extraordinary exhibition. A motion for interim supply, as hon. members who have sat in previous parliaments well know, has almost invariably been dispatched in a matter of about 15 minutes. In the 12½ years I have been in this house I recall only one occasion where any discussion arose on a motion for interim supply, that is until this new parliament was elected and met in October. The position taken by my predecessors, three of them, who sat here in that time, has always been that the purpose of a motion for interim supply was simply to give the government the means necessary for carrying on for a limited period, usually one month. So far as discussion is concerned, the rights of all hon. members to say whatever may be pertinent or relevant under the rules of the house about any item are carefully preserved in the undertaking that the Minister of Finance always gives to the house. This is the assurance the house has that there will be no trespassing upon or diminution of the rights of the house to discussion.

It is for this reason also, Mr. Chairman, that ministers of finance have said that matters such as would be in order on a motion to resolve the house into committee of supply or would be in order in the consideration of the items of the estimates in committee of supply ought not to be discussed on a motion for interim supply. What did we witness today? The hon. member for Coast-Capilano, the financial critic of the official opposition, spoke and indicated that the official opposition would support the motion and would not extend the discussion. Then the hon. member for Winnipeg North Centre, speaking as it appeared for the C.C.F. group in the house, said that his group was supporting the motion because they realized the government must have something with which to meet expenses. He was extraordinarily brief and said, as he sat down, that there were three members of his group who would speak very briefly on individual matters.

Mr. Stewart (Winnipeg North): He said no number at all; I was here.

Mr. Fleming: I heard him say something which sounded in my ear like a number.

Mr. Stewart (Winnipeg North): He said a number of members.

Mr. Fleming: My right hon. friend opposite says he said four. I thought he said three. However, we shall have an opportunity of comparing that with the number who actually spoke later. In any event, the hon. member said they were going to speak very briefly on individual matters. Then, the hon. member for Peace River, speaking for his group, indicated that they would support the motion for interim supply. He spoke very briefly. From that time forward, Mr. Chairman, I believe we have now listened to debate for four hours. We have run the whole gamut of items of discussion from irrigation to the recognition of the communist government of China.

Now, Mr. Chairman, these are all proper matters of discussion in the Canadian parliament, but there is a time and there is a place. Hon. members have chosen, in the face of an appeal to them, because of the business that is waiting to be done today, to ignore my appeal and to continue. For the last hour, Mr. Chairman, we have heard two members of the C.C.F., who happened to be the seventh and eighth C.C.F. members to speak today, making speeches which, however relevant to proper items of estimates when we go into committee of supply, in my respectful submission were a complete violation of the practices of this house in relation to a motion for interim supply. If my hon. friends of the C.C.F. wish to debate at length a motion for interim supply, it just makes meaningless the assurance the minister of finance always gives that their rights are reserved in this respect for the proper occasion.

But, sir, it does not end there. If hon. members choose, nevertheless, to go on and to make the same speeches on the motion for interim supply that we have heard them make times without number and that we know they will make on the estimates of agriculture; that we know they will make on the estimates of the Department of Trade and Commerce; and that we know they are going to make on any motion to resolve the

house into committee of supply, then we might as well face up to the fact that this house is going to be compelled to remain in session for a long time and give up any thought at all of moving forward with the dispatch of urgent business.

We heard from the hon. member for Assiniboia this afternoon a long harangue about proceeding with a measure on the order paper standing in the name of the Minister of Agriculture concerning guaranteed prices for farm products. We heard others today pleading for a chance to get on with that measure. The hon. member for Assiniboia was not satisfied to make a statement of that kind. He went so far as to say, without the slightest justification and while creating a mere figment of his own imagination, that the government did not want this measure to come forward. Who is it who is holding back that measure? I ask you that on the strength of what we have witnessed here today.

Some hon. Members: Oh, oh.

Mr. Argue: Since October 31.

Mr. Fleming: The government measures that the government wished to bring before the house today and yesterday were announced. It was the hope of the government that we would dispatch these other items in the customary way and we would deal with the resolution standing in the name of the Minister of Agriculture long before this. The Minister of Agriculture has been in and out of the house all day trying to ascertain how we were getting on with the business and when he would get on with his resolution.

Mr. Harkness: My notes are getting dog-eared from carrying them around.

Mr. Fleming: Then, we had these C.C.F. members standing up and making a completely empty and fictional assertion that the government does not want to bring this measure forward. We are doing everything in our power to bring it on, and to bring it on today. These same members, by going on abusing the rights of the house and trespassing on the rights of other members, are doing everything that they can to delay the house in approaching that measure and dealing with it today.

It is time that the facts in this regard were stated.

Mr. Lesage: Just wait for a few moments and I will give you a few examples of your speeches on interim supply.

Mr. Fleming: I did recall one occasion—

Mr. Lesage: I have the references here, two this year.

Mr. Fleming: This year?

Mr. Lesage: This year, two occasions.

Mr. Fleming: My hon. friend will find nothing to compare with what has occurred here today—

Mr. Lesage: I will give you the number of pages in *Hansard* immediately.

Mr. Fleming:—or what happened on the occasion of the last motion for interim supply about five weeks ago. There has been nothing like it.

There has to be a choice made in this matter, Mr. Chairman. If the house wishes to go on with this kind of debate on interim supply and later on, on the estimates as well, then the leader of the house in planning the business of the house will have to take account of that fact and be guided accordingly. There is no use in hon. members complaining that they are not getting on with later matters on the order paper today if they are going to spend endless time in talking the way they have talked here today. All of these matters on the order paper are urgent. The hon. member for Rosthern today complained about some items being taken before others. I appeal to the house in the name of the sound dispatch of public business to get on with all these measures. They are urgent in the eyes of everyone. I am sure no one can deny the urgency of any of these matters on the order paper today.

There are a couple of things, sir, that have been said here today about which I wish to say a word by way of answer, and answer only. First of all, we heard the hon. member for Westmorland asserting that the Prime Minister had this morning, in reply to a question, treated the claim for increase of pensions of former government railway employees as a matter of no importance. The Prime Minister, Mr. Chairman, said no such thing today and it is not his opinion and any who have followed the discussions in the house in times past and recall what the Prime Minister has said on this subject will well know that there was no truth in that assertion.

What the Prime Minister said today was that unless less time is taken on the orders of the day with questions of little or no importance there just is not going to be time at a session like this to deal with matters that are of serious moment. He did not make any comment on that particular subject or its intrinsic merits. In speaking about important questions or unimportant questions, he was drawing attention to the fact that unless members are going to be prepared to exercise some forbearance we are not going to be able to proceed with the dispatch of the

urgent business on the order paper as the government is asking the house to do.

I was asked by the hon. member for Burnaby-Richmond, why it was that copies of the present resolution had not been circulated to hon. members. The fact is, Mr. Chairman, that this session something has been done which has not been done before, that is to say, a précis of the amounts, items and fractions which are involved in the resolution has been placed in the hands of all parties in the house. There is nothing secret about any of this. The only question is as to the items and the fractions. The amounts are simply worked out on that fractional calculation and it never has been the practice to circulate copies of a resolution on interim supply in this house. Members are being given more information this session in this respect than they have ever been given before. In the time-honoured practice of the house on matters of interim supply, as long as the leaders of the parties are satisfied the vote has gone through without interminable discussion.

I was asked today about the intentions of the government with respect to the items that are to appear before the house in committee of supply in due course. Reference was made to what has happened already on the estimates of the two departments that have been before the house in committee of supply. Here let me very briefly draw attention to precisely what happened. On November 20, when the estimates of the Department of the Secretary of State were before the house the Secretary of State, when asked whether the house was to be asked to vote in full the amounts of the estimates of her department, said, as found at page 1340 of *Hansard*:

> —having regard to the commitments which have already been undertaken by the department, I think that in so far as my own department is concerned it would be advisable to ask for the votes as they stand and then effect what economies we can rather than try to cut regardless of the requirements of the department and then be forced to ask for some of that cut-back in supplementary estimates at a later date.

Let it be remembered that all the items involving salaries in that department have been increased by reason of the general increase in salaries in the civil service and even with that the Secretary of State is pointing out that she is managing to finance on the estimates without making special provision for additional supplementaries.

When my colleague, the Minister of Mines and Technical Surveys, brought his estimates before the house on November 21 he prefaced his statement on that occasion by referring directly to the matter of reductions in the items in his department, and he said, as recorded at page 1380 of *Hansard*:

> Since the date of my appointment as minister of this department I have carefully examined these estimates, together with my officers, and as a result it has been found possible to divert approximately $500,000 to other requirements which were not foreseen at the time these estimates were prepared. Specifically, about $250,000 was used to help defray the cost of the general salaries revision of May 1, 1957, and a smaller amount was used to assist in settling accounts resulting from the grounding of the C.G.S. *Baffin* in July, 1957. Hon. members will appreciate that had this action not been taken it would have been necessary to request additional funds by way of supplementary estimates in order to cover these items.

It will be seen, Mr. Chairman, that the ministers have been dealing with this matter of effecting reductions in the estimates of their departments where that can be done without sacrificing any essential service and the house has been acquainted with the results. That practice will be followed as the estimates of succeeding departments are considered by the house in committee of supply.

There is one matter that was raised by the hon. member for Montmagny-L'Islet today and was also touched on by two other members. It was the position of the textile industry. I am not going to say anything more than is strictly required in reply to what was said by these hon. members. The textile industry has been faced with difficult conditions in recent years. This matter is raised by the hon. member for Montmagny-L'Islet today as though he had made a new discovery.

Mr. Lesage: It is the first time that the mill at Montmagny has closed down for lack of work.

Mr. Fleming: I can tell my hon. friend—

Mr. Lesage: Under a Tory regime.

Mr. Fleming: —that the matter has been a subject of very keen concern to those of us who are now sitting on this side of the house for a long time, and while one will have the greatest concern about the closing of any mill I am glad to see that some hon. members opposite have now discovered for the first time that there is this problem in the textile industry. I can well remember when I was on the other side of the house raising this question time after time after time and pointing to the difficulties of the textile industry. Did we receive any support from the hon. members who now form the official opposition and who spoke today? Never a word, Mr. Chairman; never a word did we hear from them, never an indication of concern.

But now they are beginning to discover the problem. This is a problem that is giving the government concern as it gave members now

sitting on this side of the house great concern when they sat in the opposition and when it gave the former government no evident concern.

Mr. Chevrier: It did very much.

Mr. Fleming: The government of that day made a reference to the tariff board of the woollen items in the tariff. That was done three years ago, and what did they do? It was a truncated inquiry that they directed the tariff board to make. They told the tariff board not to make any recommendations. So the tariff board simply made a review of conditions in the industry so far as woollen textiles were concerned and made no recommendations, and to this day we have had no recommendations.

What the new government did in the face of the problem was to direct the tariff board to proceed with an inquiry into the whole textile industry embracing all the textile items in the tariff. The tariff board has proceeded with the inquiry with respect to the woollen items. They have completed their hearings and they are working on their report now. I shall be very interested indeed to see what kind of reception the recommendations of the tariff board in this respect, whatever they may be, receive from hon. members opposite when they come.

Finally, Mr. Chairman, there is one thing that must be mentioned here in the light of statements that have been made today, principally by the hon. member for Montmagny-L'Islet and the hon. member for Essex West. Apparently they are seeking to create the impression that the government trade mission now in the United Kingdom is seeking to make purchases which are going to have the effect of depriving Canadian workmen of jobs. Let us scotch that ugly apparition right now. It has been made clear by the government from the outset that the policy of seeking to divert purchases to Britain applies purely and exclusively to purchases of goods now made elsewhere outside Canada.

Let it not be pretended by hon. members opposite that in this trade mission or in its purpose there is any threat to the jobs of Canadians. That fact appears to have been realized by the right hon. Leader of the Opposition when, on the eve of departure of the trade mission for the United Kingdom three weeks ago, that hon. gentleman wished them well and spoke—as we thought—for all members of the official opposition in applauding their efforts and wishing them success.

Mr. Lesage: Nobody thought they would buy textiles.

Mr. Fleming: There were also some statements from the two other groups in the house wishing the mission well, applauding their efforts and wishing them success. What has happened now? The hon. member for Montmagny-L'Islet says that the presence of several Canadian textile manufacturers in the trade mission—

Mr. Lesage: Oh, no.

Mr. Fleming: —seems to give rise to the suspicion that the mission is going to be engaged in the purchase of textiles over there which could be purchased in Canada. Mr. Chairman, did you ever hear anything quite so far-fetched? I would have thought that the best guarantee that there is going to be no injury done to the jobs of any Canadian textile worker or to the interests of any Canadian textile mill lies in the fact that there are Canadian textile manufacturers in the trade mission.

Mr. Lesage: No there are not. They are importers not manufacturers.

Mr. Fleming: We were told—

Mr. Lesage: Look at the list.

Mr. Fleming: We were told this morning that there were representatives of the textile industry in the group.

Mr. Benidickson: Garments manufacturers.

Mr. Fleming: I should think that by looking at the composition of the trade mission and if the hon. members will only hearken back to what their own leader has said, they will have ample assurance that there is nothing in the activities of this trade mission which need give concern to Canadian industry or Canadian workmen. It has been made clear by the government from the very outset —and the facts should not be misrepresented now—that the policy of diversion applies purely and simply to goods now being purchased in other markets abroad.

Mr. McMillan: Would the hon. minister permit a question? In view of what he has said, what about the purchase of generators and other electrical apparatus announced by Mr. Duncan, the leader of the mission?

Mr. Fleming: I am sorry I did not hear all of my hon. friend's question.

Mr. McMillan: How about the announcement of the purchase of electrical apparatus made by Mr. Duncan, the leader of the mission? There was to be $10 million worth bought in Britain.

Mr. Benidickson: $10 million worth of generators purchased in Britain by the Ontario hydro.

Mr. Fleming: I do not know the details of the particular purchase referred to, but I do know that the Ontario hydro electric power commission has previously made purchases in the United Kingdom of heavy electrical equipment not manufactured in this country, and I expect that Mr. Duncan has proceeded on that basis. I put it to the hon. members opposite that if the words of their leader uttered in this house on the occasion of the departure of this mission represent the feeling of the hon. members opposite, then these statements which have been made today obviously are hollow and have no place in the language of the official opposition. On the other hand, if the right hon. Leader of the Opposition was not speaking for them when he wished the mission well three weeks ago then, in fairness to him and in frankness to the house I urge them now to declare it.

I did not intend to review these matters; I have spoken as I have simply to put the facts straight in the light of a number of statements made here today. I deplore the fact that these matters have been raised at all on a motion for interim supply and I appeal to the house—

Mr. Pickersgill: Appeal!

Mr. Fleming: —to address our efforts to the purpose of the matter in hand. There will be plenty of opportunity to discuss these matters when other business is before the house. The undertaking has been given that the rights of hon. members to discuss these matters and any others relative to any items in the estimates will be preserved and surely the matter can rest there.

Mr. Zaplitny: I would like to address a question to the minister as to whether he is stating government policy or whether that policy was stated this morning by the Minister of Trade and Commerce. I ask this because the Minister of Trade and Commerce stated repeatedly this morning that there were no restrictions whatsoever upon this particular mission as to what they should purchase so far as the government was concerned. The Minister of Finance is saying the very opposite at this time. Who is speaking for the government?

Mr. Fleming: Mr. Chairman, the Minister of Finance is not saying the opposite to what was said by the Minister of Trade and Commerce but is saying something which the Minister of Trade and Commerce has said before and which is government policy shared by my colleague, the Minister of Trade and Commerce and myself, as it is by all other members of the government. I think my hon. friend knows that.

Mr. Benidickson: I would like to ask further to the question raised by the hon. member for Dauphin, are the members of this mission honour bound to discuss while they are overseas on a trip at the expense of Canada only the purchase over there of commodities that would be in the diversion field rather than those which are of domestic availability.

Mr. Fleming: Mr. Chairman, surely there will be a proper opportunity to go into this whole question—

Some hon. Members: Oh, oh.

Mr. Fleming: The estimates of the Minister of Trade and Commerce—

Mr. Chevrier: You invited this.

Mr. Fleming: —will probably be before the house at the end of this week because the Minister of Trade and Commerce will be returning, as he indicated in his statement on Tuesday, to the United Kingdom to complete the work of the trade mission. His estimates will be before the house and surely that is the proper place to raise these questions and go into them as fully as any hon. member may wish.

An hon. Member: You raised it.

Mr. Fleming: No, I did not raise it. I was setting the facts right as I made clear to the hon. members in view of the statements which have been made here and which were at variance with the facts. Conclusions have been reached and inferences drawn which the facts do not warrant. These were all contrary to the position taken by the right hon. Leader of the Opposition and I was speaking in an effort simply to put the record straight. As I have said, I deplore the fact that a discussion of this kind had been obtruded into a debate on interim supply.

An hon. Member: You are delaying interim supply.

Mr. Benidickson: I was sure the hon. minister had suggested that the occupation of the delegation was simply that of trade which had the purpose of diversion from the United States. Discrimination against the United States.

Mr. Stewart (Winnipeg North): I would like to put the record straight too, Mr. Chairman, in one particular. No minister of the crown can sit over there and threaten us in any way whatsoever but if there are to be threats we can threaten just as well.

Mr. Fleming: There is no question of any threats.

Mr. Stewart (Winnipeg North): If so, he is guilty of acting with calculated insolence. If he is querying our rights to speak here whenever we want to do so, he had better have a change of mind because I recall when the hon. member sat on this side of the house he spoke talkatively, loquaciously, verbosely, wordily and with much repetition, boring us all to death with his long speeches. Now he has the impertinence to ask us to simmer down, to calm down. He wants us to exercise forbearance with respect to his party's policy. Not likely. We are not prepared to exercise forbearance with growing unemployment as it exists in this country and with the situation as it now exists, where thousands of farmers are being dispossessed of their farms and their homes because of a lack of policy on the part of this government. Furthermore, I did not like this other threat that if we did not cooperate—

Mr. Browne (St. John's West): Might I ask the hon. member a question?

Mr. Stewart (Winnipeg North): Certainly, ask any questions you like.

Mr. Browne (St. John's West): How are you assisting the passing of the legislation to help farmers or to help unemployment problems to be solved by continuing this unnecessary discussion?

Mr. Stewart (Winnipeg North): We assisted in passing unemployment legislation by putting it through in less than one day. When we talk about assisting in legislation, if this farm legislation is as important as the government thinks it is, why, then, did the order of business include the Canadian and British Insurance Companies Act? Why the Export Credits Insurance Act, if the farm legislation is so urgent? Why the Hamilton harbour commission measure if the farm legislation is so important? Why the Canadian Vessel Construction Assistance Act if the farm legislation is so important?

Mr. Fleming: There is employment involved in very one of these measures.

Mr. Stewart (Winnipeg North): Why has the government been stalling for over a month on this matter, and why does the Minister of Finance then tell us that if we do not cooperate the leader of the house will be guided accordingly? I do not like these threats, nor do my colleagues and we are not prepared to take them from anyone. We are here today to do a job as we see it, though perhaps we do not see eye to eye with the government, and when any of my colleagues want to speak in this house they will do so.

Mr. Fleming: Then let us have no talk about delaying matters.

Mr. Stewart (Winnipeg North): When the Prime Minister was on this side of the house we used to hear how interested he was in freedom of speech, but now he is Prime Minister he wants to act the part of R. B. Bennett and clamp down upon discussion, and we are not prepared to take it. The Minister of Finance said that the house was going to be in session for a long time. Well, we are paid to be here, and the hon. minister is paid to be here; we are going to be here as long as he will be, and in all probability longer. May I give this advice to the hon. gentleman: if he wishes to facilitate the business of this house, let him stop making these threats and speak more courteously and with greater regard for the rights of hon. members of parliament.

Mr. Hansell: Mr. Chairman, the minister spoke for some considerable time, and the last part of his speech, in which he was answering questions, was, I think, quite acceptable, though he did enter into debate on those things which he claimed were taking a lot of the time of the committee.

But in answering these questions he did not answer the question I asked him and which, I thought, dealt with an important matter. I asked him what estimates he thought might be withdrawn, because that is pertinent to debate. One reason I spoke on the coal mining industry during this debate was because I anticipated that the estimates in respect of the dominion coal board would not come before this parliament, and I had to take the opportunity to speak on that subject when it was presented to me. I asked the Minister of Finance to tell us what estimates would be withdrawn or curtailed; and while he is on his feet, would he care to answer me with respect to my speech? He has referred at some length to speeches which were made in respect of the trade mission. But to me and to my people the coal mining industry is more important than that, and I should like the minister to tell me what the government proposes to do to assist the coal mining industry in its present difficulties. The other question I asked was whether the minister will tell us what estimates may be withdrawn or curtailed.

Mr. Fleming: Mr. Chairman, I dealt with that subject in the course of my remarks and I referred to the practice which had been followed already by the two ministers whose estimates have been before the committee of supply and passed, and I said that this would be the practice followed by each minister as he places his estimates before the committee

of supply, namely that he would indicate what particular revisions he thinks could be made in his estimates. I can assure the hon. member that he will have ample opportunity to discuss the important subject he has raised on the estimates which are still to come before the house.

Mr. Lesage: I have just one word to say. A few moments ago the Minister of Finance, when he began replying to the various speeches which had been made, introduced his remarks by saying that a discussion of more than 15 minutes on interim supply was something quite out of the ordinary; that in the 12 years he had been in the house, only once according to his memory had a debate gone longer than about 15 minutes.

I can assure him that the debates on interim supply have been longer than his memory. His memory is very bad, and I am really concerned for the finances of the country if his recollection cannot do any better than that, because not later than last spring there were two instances when there were protracted debates on interim supply. On April 11, 1957, the then minister of finance moved interim supply. The present Prime Minister spoke at considerable length—as a matter of fact his speech covers a number of pages of *Hansard*—and it was only on the following day at six o'clock that the interim supply motion was adopted. In that same session, on March 29, 1957, interim supply was moved by the former minister of finance on a Friday morning at 11 o'clock and it was only around five o'clock that the motion was approved. On that occasion the present Minister of Finance in his capacity as the hon. member for Eglinton made a long speech, of the character which was described by the hon. member for Winnipeg North, on the subject of the C.B.C. For 40 minutes the hon. member spoke on the C.B.C. and his speech covered seven pages of *Hansard*.

Mr. Hahn: What page was that?

Mr. Lesage: Page 2022 of *Hansard* for the first session of 1957.

Mr. Macdonnell: Did it happen in any other year?

Mr. Lesage: I did not have time to check, because it is only a few moments ago that the Minister of Finance said it had happened only once—

Mr. Macdonnell: Once in 12 years.

Mr. Benidickson: He said it had never happened.

Mr. Macdonnell: Once in 12 years.

Mr. Lesage: I did not have to go any further back than the spring session to find that the Minister of Finance had participated in a protracted debate on interim supply.

Mr. Macdonnell: Once in 12 years.

Mr. Bryson: Mr. Chairman, I want to assure the Minister of Finance that the lecture he delivered to the house a few moments ago has not intimidated me in the least with regard to saying the few words I have to say at this time.

I feel I am not abusing my rights and privileges if I speak at this time, and while I certainly appreciate the suggestion of the hon. minister that we will have an opportunity during the discussion of the estimates at a later date to bring up our several grievances which have been mentioned here this afternoon, the minister did not say when the estimates are going to be brought up and as I have something to say relevant to the problem of storage I feel I am perfectly within my rights at this time in airing that grievance. On the other hand, if the minister will assure me now that he will bring before this house the support price legislation tomorrow or the next day I will resume my place immediately and say nothing at this time.

An hon. Member: Now who is threatening.

Mr. Fleming: The hon. member is well aware of the order of business which was announced by the leader of the house last night, and he is well aware that this agricultural price guarantee legislation is among the items announced last night for today. It was our expectation on this side of the house that we should have been about that business by this time.

The house met at eleven o'clock this morning and now having had all the morning and all the afternoon we are still on the first item. Let it be clearly understood by all hon. members that it is the wish, the desire and the hope of the government that we get on with this and get to the matter of the resolution on support for agricultural prices.

Mr. Thomas (Middlesex West): Now you are reneging on the problem.

Mr. Bryson: Mr. Chairman, I am not going to belabour the point except to say that on a number of occasions hon. members in this corner of the house have pleaded with the government to dispense with relatively unimportant legislation in order to facilitate the bringing forward of important legislation including the price support legislation. Neither this morning nor this afternoon did the minister suggest that members of the government should not participate in the debate.

Mr. Fleming: Only one member on the government side of the house spoke, only one.

Mr. Benidickson: You made a long speech.

Mr. Fleming: When?

Mr. Benidickson: Now.

Mr. Fleming: I spoke only five minutes this morning.

Mr. Bryson: I would like to say a few words concerning the serious problem that was raised by the hon. member for Yorkton. I am not going to abuse the privileges extended to me by quoting figures concerning storage because they are as well known to the Minister of Trade and Commerce as to anyone else but I would like to deal with one aspect of the problem which heretofore has not been brought to the attention of the house. I am sure the minister is as anxious as anyone else to do everything possible for the agricultural industry of Canada.

Mr. Churchill: Thank you very much.

Mr. Bryson: The minister has made many statements to that effect although I must admit that we have not seen too much action to date. On one occasion I recall he said in effect he did not believe producers should be asked to carry the entire burden of the surplus grain problem and on another occasion in this house, as I recall it, he said in effect that the government was prepared to consider any reasonable plan that would help alleviate many of the present problems of the agricultural industry. And so, believing that, I would like to bring to his attention one such problem, namely storage, which could be assisted somewhat by using one piece of legislation that is presently in force in this country.

I would point out to the minister that there already exists a policy which if it were extended would go a long way in at least attempting to solve the grave problem of grain storage. I understand that there has been no off-site storage approved since approximately June 25 of this year but since that date on-site or on-track storage has been approved, which of course is something entirely different.

On November 18 I asked the minister a question to the effect that if a group of farmers or an individual farmer constructed approved on-site storage at an elevator point would he be eligible to have that storage approved in effect by the Canadian wheat board which operates under the jurisdiction of the federal government. The minister's answer to me as reported at page 1231 of *Hansard* of that date is as follows:

> The board of grain commissioners will only accept applications for on-site storage from licencees of the board.

Later he added:

> In other words, such on-site storage is regarded as an annex to the elevator licensed to receive grain at that delivery point.

It is evident from those statements that the question I asked the minister on that occasion was answered in the affirmative. The only result of that policy that I can observe from having investigated the situation quite carefully is that in certain areas businessmen who are constructing approved or already have approved existing storage make a deal with an elevator company and in turn are paid storage charges on that grain. I am not at all critical of any businessman who provides storage for housing grain because I think it is most admirable, nor am I critical of the wheat board or this government for approving that type of storage but I do condemn the government for not publicizing as widely as possible the existence of this scheme and the fact that farmers can take advantage of the plan.

How does this plan work? I will give a concrete example concerning a situation that is well known to me. A businessman has storage capable of housing 100,000 bushels. He goes to an elevator company and makes a deal which is perfectly legitimate under which he will store grain on their behalf and in return he is paid something in the neighborhood of three-quarters of a cent per bushel. It is understandable of course that he could not qualify for the full cost of storage because the elevator company must deduct handling charges which amount to about one-quarter of a cent per bushel. That is all very well and it means that at this point farmers have an extra 100,000 bushels of storage capacity but it would be much better if the government would publicize this scheme in order that farmers could take advantage of this scheme.

I have it on the best authority that there are elevator companies who would be very happy to enter into such an arrangement. Farmers could undertake to arrange on-track storage and build their own storage to store their own grain as the quota became available. In this case they would be paid storage just as the businessman is paid storage today.

What would be accomplished by this? It would accomplish three things, all of them desirable. First of all, because there would be greater storage at that point, the quota could be raised which in turn would mean that the farmer would be able to market more grain at that point. He would be able to haul his grain and put it in his granary without fear of the elevator being plugged. You must remember that simply because a quota is opened at any point it does not mean that every farmer will have an opportunity

of getting his grain into the elevator. In many cases there is difficulty because of weather conditions and so on and the elevator space is plugged before the farmer can make his delivery. This would eliminate the second problem.

The third thing it would accomplish would be to give the farmer an opportunity to deliver grain to the elevator of his choice. For example, if he hauls it to a pool elevator he eventually gets the benefit of the dividends that are invariably paid which would be of great assistance. I suggest it would be much better for ten farmers to have 1,000 bushels apiece in their own bins on-track than to give that amount of storage to one man thereby putting him in the position of being able to collect the storage on all the grain.

Possibly the government feels that if this policy were widespread and expanded it would not be able to carry all the charges that would have to be borne. Of course the government has agreed to pay all the storage charges on what it considers to be over a normal carryover, 178 million bushels, but it is understandable that if this policy I am outlining now became widespread that it could conceivably amount to a vast quantity of grain on which the government would have to pay storage. In spite of that I think the plan is valid because the farmer is already carrying storage on the grain that is stored on his own farm but he is never sure he is going to be able to deliver when the quota does open up. Therefore I feel this policy should be expanded and the plan made widely known through the grain growing portion of western Canada. I know the government is not going to build permanent storage, I would suggest that as an alternative, and in the meantime they should give very serious consideration to allowing farmers the opportunity to build on-site storage wherever it is possible to do so.

Mr. McCullough: Mr. Chairman, I am sure that hon. members are very anxious to get these interim estimates through.

Mr. Churchill: We were, but not now.

Some hon. Members: Oh, oh!

Mr. McCullough: I hear a lot of laughter from across the way, but I want to assure you, sir, that neither I nor my colleagues will be intimidated by any laughter. I listened to the prolonged and verbose circumlocution of the Minister of Finance. I have a problem to bring to the attention of the government and I intend to do so in the remaining few minutes. If I do not get too many interjections from hon. members opposite, I think I can do it.

[Mr. Bryson.]

This problem, Mr. Chairman, applies perhaps more particularly to my own constituency. It has to do with the administration of two acts, the Unemployment Insurance Act and the Prairie Farm Assistance Act. I bring this to the attention of the government because I believe it involves interdepartmental arrangements for carrying out the regulations of the two acts.

As hon. members know, under the Unemployment Insurance Act, unless a person is an industrial worker and within the two years prior to application for unemployment insurance benefits has paid a total of 30 weeks into the insurance fund he is not eligible for benefits. I bring this to the attention of the government because in my constituency we have a large group of people who are engaged in the oil industry because that area of the province of Saskatchewan is perhaps the largest oil field in Canada at the present time. Whether or not this is due to the new policy and the failure to take proper steps to give assurance to the industry and the oil companies that the future holds something for them in the way of further investment I am not sure, but the committee will recall that I asked the Prime Minister to give information to the house on the outcome of the visit of Premier Manning to the Prime Minister in respect of the oil situation in Alberta.

In addition to this, sir, we have the cost-price squeeze facing our farmers. Owing to the cost-price squeeze, and the lower return to farmers, many of them have gone into the oil fields and some of them are also working in the coal mines. For the information of the committee I might say that approximately half the coal of Canada is produced in my constituency. The problem is this. People who are employed part-time in the coal mines and in the oil industry and who have not completed 30 weeks of employment in either of those industries in the last two years are not eligible for unemployment insurance benefits. At the same time we have the anomaly of people who are part-time farmers and who pay into the Prairie Farm Assistance Act through deductions on the sale of their grain. Such people are not eligible under the regulations of these two acts for compensation under either one of the acts. I should like to bring this to the attention of the government. Owing to the peculiar circumstances these people are not eligible under the regulations of the two acts. I hope the minister will bring it to the attention of the proper authorities that we have people who are paying into both the unemployment insurance fund and the Prairie

Farm Assistance Act but, owing to the regulations, they cannot qualify as industrial workers and are not eligible for payments under the Unemployment Insurance Act. They do not receive any compensation and they cannot qualify under the Prairie Farm Assistance Act because they are not classified as *bona fide* farmers. They are not eligible for awards under this act.

I would suggest to the government that a great deal of leniency be shown in the administration of the Unemployment Insurance Act and the Prairie Farm Assistance Act so that people who are trying to supplement their incomes and find it very difficult to carry on, but are doing what I think all of us want them to do, namely try to find work to provide for their families, shall be eligible for payments and awards made under one or the other of those acts.

I think it is a real problem. I appreciate that the administrators of the Unemployment Insurance Act are trying to do the best they can. I think those who are carrying out the administration of the Prairie Farm Assistance Act are very sympathetic, and I do hope that my plea this afternoon will be given serious consideration and that people in this category will receive the proper consideration because in most instances it is a real problem in my constituency.

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. Rea in the chair.

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 $281,607,101.16, be granted out of the consolidated revenue fund of Canada, as set forth in the resolution concurred in this date in the committee of supply.

Resolution reported and concurred in.

Mr. Fleming thereupon moved for leave to introduce Bill No. 198, 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, bill read the first and second times, considered in committee, reported, read the third time and passed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

AMENDMENTS TO PROVIDE FOR CONVERSION OF CAPITAL STOCK COMPANIES INTO MUTUAL COMPANIES, ETC.

The house resumed, from Tuesday, December 3, consideration of the motion of Mr. Fleming for the second reading of Bill No. 169, to amend the Canadian and British Insurance Companies Act.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, at the conclusion of yesterday's sittings the Minister of Finance (Mr. Fleming) had finished his explanation of the reasons for this bill. With the background for the bill as he outlined it I have little dispute. I think the minister himself would probably be quite willing to acknowledge that much of the investigation and preparation for the bill had been done and was ready for him when he assumed office because I know from my personal experience, having been parliamentary assistant to the former minister of finance, that this matter had been given study by the previous minister and a draft bill had even been prepared.

However, the last session, as we all know, was brought to a conclusion sooner than some other sessions by reason of dissolution. My remarks will be brief not only on that account but also because the minister has assured the house that the bill will be referred to the standing committee on banking and commerce. I should like, however, to join with him in acknowledgment that the bill is of considerable importance.

The insurance industry is an important one and, as the minister himself stated, the welfare of a great number of Canadians in a very important way is dependent upon our insurance industry. My understanding is that there are some 28 insurance companies operating in Canada which have jurisdiction by reason of incorporation by parliament and those companies, for whom we are legislating in this bill, write some two-thirds of the insurance that is written in Canada for Canadians. That totals some $26 billion or $27 billion and that, of course, underlines and emphasizes the security element that was referred to by me and by the minister last night.

Of the 28 companies I believe that 22 are companies with capital stock and these are the companies to which the element of mutualization in this bill has particular reference. I also believe that these companies with capital stock underwrite about 85 per cent of the business in this country.

Another factor that I think will be kept very much in mind by members of the house is the fact that it is not easy today to enter afresh into the business of insurance. I think only one company has entered this field of business in the last 25 years. The minister also indicated very properly last night that the funds of shareholders are relatively small in relation to the funds that are available to these insurance companies from the premiums that are provided by policyholders. The last time I have a recollection of looking at these figures I believe that the assets available to these companies were in the neighbourhood of $6 billion and this in turn can be related to paid up capital stock approximating $14 million.

I think the chief item in the bill of particular interest is the opportunity to facilitate mutualization. In that respect the bill is not proposing something that is particularly unique because in the United States they have developed something along the lines proposed in the bill. The two largest United States companies in the insurance field, the Metropolitan Life and the Prudential Life, were originally stock companies but they too, as is provided in this bill, became mutual companies by reason of an opportunity provided to purchase the capital stock of their companies. In addition, other United States companies formerly stock companies have been mutualized, including the New York Life and the Equitable Life. A similar trend has also been noted in the United Kingdom.

I think the bill provides a share of supervision on behalf of the public by reason of the reference in the bill to the jurisdiction of the treasury board. I think this will commend itself to most members of the house. There is another important element in the bill, the direction that the majority of directors must be residents of Canada. Up to now the direction has simply been that the shareholders' representatives on the boards of directors where there is participation, shall be residents of Canada, but this will apply now to all classes of directors. This again is not unique in legislative action because it is similar to the direction that is made with respect to the directors of our Canadian banks.

The third item that I think is of interest is the provision affording the opportunity for the boards of directors of our insurance companies to refuse share transfers to non-Canadian residents under certain circumstances. This, I think, is a matter that has given considerable concern to a number of Canadians in the past. I know the superintendent of insurance has directed the attention of the house to this problem. In his 1955 report he had this to say:

> One may, perhaps, feel less concern in contemplating these two transactions—

He was referring to certain transactions respecting sales of shares in insurance stock companies to non-residents.

> —than would be the case were there to be a transfer of ownership of one of the major Canadian companies.

The Minister of Finance referred to certain control that has already passed from this country. The superintendent of insurance went on to say:

> The transactions serve to emphasize the continued interest of foreign investors in Canadian life insurance companies and the desirability of seeking some legislative procedure that will enable the ownership of Canadian life insurance companies to be retained in Canada.

This problem also received the attention of the royal commission on Canada's economic prospects, and in paragraph 20 of the preliminary report of the Gordon commission the following was stated:

> Foreign ownership of the stocks of the Canadian chartered banks and of life insurance companies, which are incorporated under Canadian law, is not particularly large at the present time. It is desirable that Canadian control of these institutions be maintained. The commission suggests, therefore, that appropriate action be taken to prevent any substantial measure of control of the chartered banks and of the life insurance companies from coming into the possession of non-residents. One way in which this might be accomplished would be to provide by statute that any shares in such institutions which were acquired by non-residents of Canada in the future would be ineligible to vote.

That of course is not the actual procedure adopted by this bill. I think it is not generally understood, however, that the provisions of the bill simply provide discretionary power on the part of the board of directors of an insurance company to refuse the transfer of shares to a non-Canadian resident. In addition, it is probably not understood that the bill does not provide that shares, once in the hands of a non-resident, can be transferred to another non-resident; not only at the present time but that this will be also possible in the future.

The fourth element of the bill referred to last night by the minister relates to the fraternal societies which effect insurance and I think there will be no quarrel with respect to that because it is generally recognized today that the unusual mortality rates which applied years ago to juveniles are not now prevalent. I think this bill should commend itself generally to the members of this committee; it seems to have general acceptance, so far as I know, by the members of the official opposition. Certainly such small differences as do exist can be discussed and the bill

itself will be given very careful examination by the committee on banking and commerce.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, subject to further inquiry on our part in the committee on banking and commerce, we accept the principle behind this bill. Therefore there is no need for extended debate on the part of any members of our group. We are only too prepared at any time to facilitate government legislation of this kind so long as we can get to this agricultural legislation which has been promised us.

Mr. A. B. Macdonald (Vancouver-Kingsway): Mr. Speaker, I would like to go a little further than the member for Winnipeg North and say that this is good legislation and legislation pointing in a good direction in that, on the one hand, it seeks to help bring Canadian companies under Canadian control and, on the other hand, it enables Canadian life insurance companies to convert themselves into mutuals. This of course means that they would be owned and controlled by their own customers and that is a good direction in which to move. That is a socialist step and I congratulate the Conservative party for taking it. Of course, these are slow, halting steps even though they are in the right direction, but I hope the Conservative party will persevere and see to it that these principles in which a company should be in the hands of and controlled by those it serves, will have general application among other Canadian companies; not only those under United States control at the present time but also some companies under Canadian control.

An hon. Member: The pipe line too.

Mr. Macdonald (Vancouver - Kingsway): And the pipe line as my hon. friend has suggested, but I suggest the Conservative party's direction is good in this case.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

EXPORT CREDITS INSURANCE ACT

AMENDMENT TO INCREASE TOTAL OUTSTANDING LIABILITY

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 amend the Export Credits Insurance Act to increase from one hundred million dollars to two hundred million dollars the total liability that the corporation may have outstanding at any time under contracts of insurance which it is empowered to enter into under section 21 of this said act.

Motion agreed to and the house went into committee, Mr. Courtemanche in the chair.

Mr. Benidickson: Has the minister not a statement to make?

Mr. Churchill: Mr. Chairman, I have a statement but I was not sure whether the house wanted to hear it.

Mr. Gauthier (Portneuf): It is so interesting.

Mr. Stick: You were trying to sneak out of it but you did not get away with it.

Mr. Churchill: No, I was not trying to sneak out of it. I will face up to anything that happens in this house or anywhere else.

Mr. Gauthier (Portneuf): That is an improvement.

Mr. Churchill: The purpose of this amendment, is to increase the effectiveness of the Export Credits Insurance Corporation by giving it the necessary authority to take on liabilities of an additional $100 million, under section 21 of the Export Credits Insurance Act. Contracts of insurance issued under section 21 of the act are those which are considered to be in the national interest but which, in the opinion of the board of directors of the Export Credits Insurance Corporation, would impose upon the corporation a liability for a term or in an amount in excess of that which the corporation would normally undertake in relation to any one contract, exporter, commodity or country. All moneys required by the corporation to discharge its liabilities arising under any contract of insurance entered into under this section are to be paid to the corporation by the Minister of Finance out of unappropriated moneys in the consolidated revenue fund.

Section 21 of the act as it now stands limits the corporation's liability to $100 million. At the present time, liabilities under policies of insurance actually written plus commitments currently outstanding total $98 million in the aggregate. It is obvious that in order to have this section of the act continue its effectiveness, and to allow the corporation to insure additional business, it must be authorized to assume further liabilities, and I am therefore proposing that the amount of such liabilities be established at $200 million.

Through the operations of section 21 of the Export Credits Insurance Act an increasing amount of export trade has been insured and a considerable portion of it would not have materialized had it not been possible to have it insured. One hundred and six policies of insurance have been issued under this section covering exports amounting to $206 million. Insured export shipments which have been concluded and paid in full amount to $97 million. Insurance premiums paid on this business have totalled $1,659,191 of which $1,245,488 has been turned over to the

receiver general and the balance of $413,703 retained by the corporation to meet its expenses and overhead arising out of the contracts of insurance issued under section 21 of the act. I am pleased to report that as yet there have been no losses.

Shipments insured under section 21 have consisted of electrical goods valued at $4½ million; milk powder valued at $4 million; aircraft and parts, $80 million, and wheat, $118 million.

In connection with the insurance of aircraft and parts amounting to $80 million, the corporation has assumed a liability of only $22 million. This has been brought about through the very favourable payment terms established in the contract of sale whereby it has been calculated that the maximum possible loss could not exceed the $22 million established as the liability. With respect to payment terms for other commodities insured under section 21, it is usual procedure for the exporter to receive some cash with the order, or at the time of shipment, with the balance payable over some months or years after shipment. Terms of payment for wheat sales insured have called for a cash payment of from 10 per cent to 25 per cent at the time of shipment with the balance payable from one to three years after the date of shipment.

Ordinarily wheat is sold for cash in international trade and, as the house is well aware, the Canadian wheat board requires payment in cash so that it can distribute the proceeds of sale to producers. Until 1952—and this act has been in operation since 1944—there were no requests for credit terms on the sale of Canadian wheat. In that year, Yugoslavia faced a serious shortage of food and foreign exchange and applied to Canada for wheat on short term credit. The private exporters financed themselves at commercial rates of interest through the banking system, using the export credits insurance policy as security, in order to pay cash to the wheat board.

With changes from time to time in credit terms this pattern of export insurance, worked out for this first transaction with Yugoslavia, has been applied in subsequent years to several other countries—Brazil, Czechoslovakia, Hungary, Israel and Poland. Policies have been issued covering the export of 1½ million tons, or about 55 million bushels of wheat.

As a result of recent intensive efforts to enlarge wheat markets, a number of countries have expressed interest in buying Canadian wheat on credit. At this stage it would not, of course, be in the public interest to disclose the names of the countries but it is vitally important that authority should be available to insure such credit sales if and when formal requests are made. That is the principal reason for seeking this amendment.

The Export Credits Insurance Corporation provides a service that cannot be obtained from private insurance firms. Similar insurance protection is provided by government of the majority of exporting countries. Export credits insurance gives protection to Canadian exporters against those unexpected and unpreventable losses that occur in spite of every precaution of the policyholder. Some of the risks covered include insolvency of the foreign buyer, cancellation of an import licence in the country of destination, or the risk of adverse changes in foreign exchange regulations. While the corporation will insure against delays in collection that are not the fault of the exporter, it does not cover trade disputes as to quantity of goods.

The exporter is insured against blockage of funds in a foreign country or transfer difficulties which prevent him from receiving payment for his goods. Such calamities as war or revolution in the country of the buyer are also covered. This insurance protection in no way subsidizes the Canadian exporter, as the corporation operates on a self-supporting basis and charges an insurance premium that is assessed according to the risk assumed. The Canadian exporter still has to compete on the basis of quality, price, credit terms, and service rendered. However, the policy of insurance provides protection for his foreign accounts receivable and also provides him with the benefit of the advice and assistance of the corporation in recovering any losses which may arise. In addition, the insurance provides him with facilities to obtain financial assistance enabling him to expand his export business and so help in building up Canada's foreign trade.

Policies of insurance issued under section 21 of the act cover contracts of sale much larger than those normally undertaken by the corporation on its own behalf, and the exporters are not prepared to take on such contracts of sale without insurance protection. Furthermore, the fact that payments are generally spread over a period of years makes it very difficult for exporters to obtain the additional financing required without the support of an export credits insurance policy.

These sales are essential to Canada's well-being and materially add to the development of her foreign trade. The practical question of payment often depends more on the over-all balance of payments situation in the country of the buyer, and is more often affected by political considerations in that country than by the normal practices of commercial trade. Where the risk involves political factors that

increase the element of uncertainty in foreign trading and where a contract will prove beneficial to our nation as a whole, it is felt that the people of Canada, through its government, should bear some share of that risk, and by so doing place our exporters in the same position as their competitors in the world market.

Mr. Benidickson: May I ask the minister first just one question? Is there any change in the act proposed beyond the extension of the over-all liability under section 21 from $100 million to $200 million?

Mr. Churchill: No, Mr. Chairman, this is the only change, this change from $100 to $200 million. As I mentioned a minute ago, the act has been in operation for 12 or 13 years with considerable success and all we wish to do now is to extend it a bit.

Mr. Benidickson: Mr. Chairman, particularly in consequence of the hon. minister's reply to that question, my remarks will be fairly brief. In the first place, this act was before the house for amendment in the earlier session of 1957. I just want to point out that when this act was up for two minor amendments earlier this year some 41 columns of *Hansard* were utilized by members of the then opposition to discuss certain items of amendment, and naturally I wondered whether or not those who were so critical at that time on the question of whether this corporation should be liable for income tax on its transfers to the underwriting reserve against losses had changed their minds, or whether their proposals then would form part of the amending bill, now that the then critics compose the administration. At that time the Minister of Finance, the present Minister of Health and Welfare, the former member for Simcoe North, and the gentleman, who I believe, has been the acting minister of trade and commerce in the minister's absence, and who has probably been supervising the bill —the hon. member for Greenwood, Minister without Portfolio—were all among those who were so bitter in their denunciation of the amendments made earlier this session.

The other reason for brevity is one that the minister himself has indicated. This bill was introduced in 1944. It was just one of the many wise and farsighted statutes which were prepared by the administration of Mr. Mackenzie King in his desire for the stimulation of postwar trade, for the stabilization of the economy of this country and for the welfare of its people for the post war period. I am very pleased that the minister has paid tribute to the good results of this legislation.

While he did not say so, I am informed that export sales under the ordinary terms of the legislation have assisted by insurance provisions the export of more than $400 million worth of Canadian exports. The minister said that also under section 21 alone export sales beyond $200 million have been assisted. This proposal provides confirmation in my mind of the proof of a statement which appeared in the *Time* magazine of October 9 when it reproduced a short statement from the Saskatoon *Star-Phoenix* which said this:

> The dominant fact in the political life of the country is the Conservatives' close adherence to the Liberals' main lines.

I think that is very true. The minister did give us figures with respect to the amount of export sales that have been assisted by insurance under section 21. He also outlined the provisions of section 21 indicating that this is a special risk that is not solely the responsibility of the board or the corporation but is a risk approved specially by the governor in council. While we are in the committee would he add to the information that is available from the last annual report and tell us what is the latest figure of export sales that have been assisted by the ordinary provisions of the act since December 31, 1956. I believe the annual report indicated that the sales on an ordinary basis were then $376 million.

Recently with respect to this statute I placed some questions on the order paper. I am grateful for certain information that was provided as a result. It was indicated that under section 21, which I take it is our main interest tonight, $104 million in export sales have been insured from January 1, 1957 to October 31, 1957, in other words ten months of this year. I wonder if the minister would tell the committee what proportion of this related to wheat sales and would he indicate with respect to non-wheat sales what the large items of exports were.

I was very interested to read shortly after the introduction of this resolution that the Minister of Northern Affairs and National Resources who comes from Saskatchewan visited his home province shortly afterward and made what I thought were rather extravagant statements to the wheat producers respecting the advantages of this particular extension of the total amount of liability that is possible under section 21. The strange thing is that the reports of the Minister of Northern Affairs and National Resources in Regina occurred just one day after the Minister of Trade and Commerce was in Regina. One got the impression that the total value

of the extension of the liability that is possible under this statute by reason of this amending bill would be to the advantage of the wheat producers.

The Minister of Trade and Commerce in Regina on November 15, as I understand it, suggested that we could reasonably anticipate exports of some 300 million bushels of wheat in this crop year. The following day by reason of this particular item of legislation his colleague, the Minister of Northern Affairs and National Resources, as reported in the Regina *Leader-Post* of November 16, indicated that this figure could be upped by 50 million bushels for the same term.

I understand the good reasons when negotiations are taking place why the minister, as he suggested, must be cautious about indicating the countries with which he is now negotiating with respect to possible sales of Canadan wheat. I know this is a competitive thing and I would not want in any way to embarrass these negotiations which are to the benefit of this country but I do think in view of this conflict of estimates within 24 hours in the same city by two members of the government as to the possible sales of wheat for export within the current crop year that this committee is entitled to some explanation.

In particular I would like the Minister of Trade and Commerce to inform the committee—I do not wish to put him on the spot as to the countries with which he is negotiating—whether some 50 million bushels of wheat beyond the 300 million bushels he discussed in Regina are likely to be sold simply because of the insurance provisions that are being provided in this legislation. The reason I ask that is that while the total amount of export sales related to this insurance under section 21 have increased very substantially in the ten months of 1957, according to the returns given to me to which I have previously referred, it actually happens that the amount of wheat insured in the ten months of 1957 is considerably less relatively than wheat sales insured in 1956.

The figures are as follows: Section 21 was utilized in 1956 for sales of wheat to the extent of 24 million bushels. In 1957 the figure is ten million bushels for ten months. I would simply ask the question, is the Minister of Trade and Commerce going to tell this committee that people have been standing by at the threshold waiting for credit for wheat in such substantial measure that his colleague the Minister of Northern Affairs and National Resources was justified in suggesting to Saskatchewan audiences that this $100 million would be utilized more or less exclusively and totally for the sale of wheat. I have indicated that in the current year it does not appear to have been a lack of available credit insurance that reduced the quantity of wheat which was sold under insurance provisions. I take it that it was probably the market conditions and the competition conditions to which my hon. friend has frequently referred.

In connection with this amendment I feel I am justified in chastising the Minister of Trade and Commerce a little bit for some remarks he made yesterday. I believe—I think other hon. members will agree with me—he was somewhat flippant when he referred to a possible customer for Canadian wheat, namely Russia. As a matter of fact we have trade agreements with Russia which I think are of considerable advantage to the grain producers of western Canada.

The hon. member for Moose Mountain asked the minister yesterday about the Russian trade delegation presently in Canada. I admit that the minister has been out of Canada recently. I think he returned only yesterday but there was no suggestion that this question might be referred to the acting minister of trade and commerce, the able Minister without Portfolio, the hon. member for Greenwood. On the contrary, in a rather flippant manner he simply associated this trade delegation visit with a visit by a Russian hockey team.

The Minister without Portfolio, the hon. member for Greenwood, made a statement some years ago with respect to trade that could be generally approved in regard to this type of legislation. On February 24, 1954, at page 2398 of *Hansard,* when speaking to an amendment to this very statute, the hon. member for Greenwood had this to say:

> It does not seem to me there is much hope for peace and a quiet life as long as our chief joint occupations with people beyond the iron curtain are to make faces at each other and listen while they call us names.

I got the impression that the attitude of the present Minister of Trade and Commerce in his rather flippant reply yesterday to the possibility of sales of wheat and the attention paid to this Russian trade delegation was quite contrary to the spirit of the remarks of the Minister without Portfolio, the hon. member for Greenwood, which I have quoted.

Generally, as I say, this proposed amendment will be supported by members of the official opposition. In so far as our party is concerned it is simply an extension in liability terms without change, of the principle of good Liberal legislation.

Mr. Johnson (Kindersley): Mr. Chairman, I do not think too many comments are necessary at the resolution stage of this bill because I think the purpose of the resolution is a laudable one. There are, however, one or two

comments that I think should be made, since one of the commodities that are most worrisome on the Canadian market at the present time is wheat and one of the purposes of the Export Credits Insurance Act is to facilitate the importation of Canadian wheat on credit terms.

Hon. members are familiar with the circumstances last year when one of the iron curtain countries was negotiating with Canada for the importation of a significant quantity of Canadian wheat and required a long-term credit for it, a longer-term credit than the then minister of trade and commerce was prepared to grant under the present legislation. It was found at that time that the delegation went to the United States where they filled their orders. I just wonder whether the present amendment, which increases the amount from $100 million to $200 million, will still put us in a position to compete with the United States give-away programs in this respect.

The minister pointed out that they required from a 10 per cent to a 25 per cent down payment on the purchase of wheat, with a one to three year period of repayment. I would suggest, Mr. Chairman, that we as a government should be able to do much better than that. I know of many individual farmers in my constituency who would be only too prepared to sell 1,000, yes, up to 5,000 bushels of wheat at the present time, to get it off their farms, with the understanding that they would be paid for it in five or even 10 years time. Now, surely if individual farmers have presented that suggestion to me in their readiness to move their wheat off the farm, then this legislation should be geared to the same purpose.

I am hopeful that the comments which the Minister of Northern Affairs and National Resources made in Saskatchewan, and which were referred to by the hon. member for Kenora-Rainy River can be fulfilled because, in reporting to his constituents, he painted a very rosy picture indeed as to the results of this amendment. It is to be hoped indeed that the amendment which is being introduced will be of value in allowing the exporters of Canadian grain to put themselves in a position of partial equality with the United States exporters and that we shall be able to move our burdensome surplus of grain to other countries which may not have the immediate funds with which to purchase it.

I think this is all I shall say at the present time, Mr. Chairman. I shall make any other comments that may be required at a later time.

Mr. Quelch: Mr. Chairman, we in this group welcome this measure to increase the effectiveness of the act by allowing it to have additional liabilities in the amount of $100 million. It is rather strange that today we should be speaking of a measure which was so heavily criticized by the Conservative party at the last session of parliament. I recall many of the members who were critical of certain features of it. I notice the hon. member for Greenwood looking rather astonished. I remind him that at that time the point that the Conservatives were so critical about was the question of the exempting of the corporations from a certain amount of taxation up to a certain level.

Now, as I understand it, the main purpose of the Export Credits Insurance Act is to provide exporters with insurance which cannot be obtained from private insurance companies. We are quite in favour of that because we think it is very important that insurance of this type be made available, and if private insurance companies will not write it, then it is essential that this corporation carry on the business. For that reason we are glad that the government has seen fit to make it possible for a greater amount of business to be carried on.

I understand that the only insurance of this type that can be written today by private insurance companies is done with the United States, and consequently I understand this corporation does not insure exports to the United States of America. Therefore, I say we agree with the objective of the act because we think it is very important at this time that we do everything possible to expand our exports so as to make it possible to reduce our adverse balance of trade and also to dispose of our surplus products.

Today we are facing very strong competition from the United States of America in their farm disposal plan. They are expanding markets in many directions and, owing to the easy terms on which they sell, it makes it quite hard for Canada to compete.

In the January issue of the *Western Producer* we find a quotation from Mr. Butz, the assistant secretary of agriculture. He has this to say in regard to the United States disposal policy:

> We are learning to use these surpluses as a positive factor in our foreign policy. These donations to other countries for relief of famine, flood and other disasters, plus the sales for foreign currency, are making friends for us in many countries that we are trying to keep from slipping under Russian domination.
>
> And the fact that our dollar sales not only are holding up but increasing shows that these donations and foreign-currency sales are not just taking the place of deals that could be made for dollars.

I hope the minister will take note of the last paragraph because time and again it has

been stated that if we were to adopt similar disposal policies our dollar sales would be reduced by the amount of the donations and foreign-currency sales. Well, in the United States they are accepting in their disposal policy foreign currency and barter deals. Nevertheless, their sales for dollars are also increasing.

The *Western Producer* has this comment:

> The mood of agriculture department officials and of congress indicates that the government surplus policy is to continue. The demand for U.S. surpluses indicates, too, that there is a vast overseas market to be tapped as long as United States taxpayers continue to foot the bill and make the price right.

Mr. Churchill: That last sentence is important.

Mr. Quelch: Yes, that last sentence is important; that is quite true. In the losses under our policy it will be the taxpayer who foots the bill. So far we have had very small losses.

Mr. Benidickson: No losses under section 21.

Mr. Quelch: The purpose of this measure is to try to push our sales of wheat. According to Mr. Butz there are vast untapped markets yet which we may be able to gain. No doubt there will be a good deal of risk involved in trying to sell our wheat to some of these nations.

The question I should like to ask the minister, and a point I have never been quite able to understand, is that under this insurance adverse changes in foreign exchange regulations are covered, but I understand that you cannot insure the rate of exchange. This seems to be very strange, because surely when we are making sales to many of these foreign countries change in the rate of exchange is an important factor. I recall that some years ago when we changed the rate of our exchange from 90 cents to $1 some members complained that certain businesses had lost money. At that time, I think it was Mr. Abbott who stated that there was nothing to prevent our industries from insuring against a change in the rate of exchange. Does that mean that these businesses could be insured by other companies or does it mean that under certain conditions it is possible to insure against a change in the rate of exchange under this legislation? I understand that under this bill that is not possible. However, I believe the minister will agree that there should be a provision for exporters to insure against a change in the rate of exchange by some countries.

Mr. Tucker: Before the resolution carries, I understand that the amount that may be insured in respect of various commodities is limited. For example, I am particularly interested in the total amount of insurance that will be allocated to wheat under this bill. The minister referred also to a limitation in regard to the countries, and would he explain that a little further?

Mr. Churchill: In answer to the first question, the $200 million has been the limit on the amount of insurance. The answer to the second question is that we would like to spread these risks over a large number of countries rather than too much with any one.

Mr. Tucker: I understood the minister to say that there was a limitation in fact placed against the various commodities; in other words, the whole of this $200 million could not be applied to the purchase of wheat, as I understand it?

Mr. Churchill: It may be, Mr. Chairman, that we are getting ourselves mixed up with the Export Credits Insurance Act. At this time we are dealing with section 21. There is $200 million available under the normal operations of the act, and that $200 million is a grand total. It is that for which we are asking.

Mr. Benidickson: Would the minister make any comment now on my question concerning the difference in 24 hours between his estimate of our likely wheat sales in the current year and that of his colleague the Minister of Northern Affairs when this legislation to his knowledge and under his sponsorship had already been introduced?

Mr. Churchill: Mr. Chairman, I would be glad to answer this question as well as the questions put forward by the hon. member for Acadia. I should like to thank the hon. member for Kenora-Rainy River for his lucid and constructive discussion of this problem.

Before I deal with his last question, he did ask about the $104 million of loans from January, 1957 to October, 1957, and how that was distributed. The distribution is, for wheat, $24 million, and on non-wheat sales $80 million dealing with aircraft sent to Germany. The forecast of the exports of wheat for this year—I was not clear whether the hon. member was indicating that I had tied that in with the Export Credits Insurance Act—

Mr. Benidickson: No, your colleague, I understand, did a day after you made an estimate. In other words, was the suggestion valid that almost the entire $100 million would be utilized for extra sales of wheat? The minister has just given us figures indicating that in the current year only $24

million out of $104 million of insurance on 1957 export sales under this act was actually utilized for the sale of wheat.

Mr. Churchill: I am very happy to learn that I am not implicated in that particular forecast. My forecast of 300 million bushels was based on very careful consideration of the world need and our share of the world trade in so far as one could estimate it at this time. The estimate put forward by me—

Mr. Benidickson: May I just ask a question at this time? Was not your estimate made in the knowledge that you proposed to introduce this amendment to the act to enlarge the total amount of credit insurance liability that could be incurred under section 21?

Mr. Churchill: I had some hope that this would be introduced and would be accepted by the house, but at the same time I was not pinning too much hope on a very large increase in our wheat sales by virtue of this measure. This is rather complicated, and at no time have I said that this would necessarily ensure the sale of more wheat. We hope that it will. It gives us room for manoeuvring, room to negotiate. The impression I have received over the last several months is that a great many countries in the world are looking towards credit arrangements for the purpose of buying wheat. When talking to men who have been in the grain trade for many years have indicated to me that this is substantially a new departure that seems now to have been rather widely accepted in various countries throughout the world. It may be that some substantial increase will result from this. On the other hand, my estimate of 300 million bushels was not based to any great extent on this particular measure. With regard to the statement made by my colleague, I may say I am having plenty of trouble looking after my own statements. I think we will let him answer that when he is in the house.

While I am on my feet may I answer the question of the hon. member for Acadia. This bill does not provide for any insurance on the rate of exchange. I do not know that that is done anywhere in the world. It is rather a banking procedure to guard against that fluctuation. At any rate, we have not considered it and this bill does not provide for it. We have not introduced it into this amendment.

Mr. Benidickson: I was very glad to receive that answer from the responsible minister. I think it just indicates his colleague was a little extra exuberant when he was speaking to a Saskatchewan audience shortly after it was announced that this legislation would be forthcoming.

Not necessarily tonight but before second reading would the minister be able to provide the house with a little additional information? Would it be possible for him to tell us whether or not, since the annual report was published at the end of 1956, the capital stock which this house in 1954 authorized the government to pay for has been paid for or is it simply in the status of subscription only? The other question is, would he indicate on second reading what changes, if any, there have been during 1957 in the personnel of the advisory council? It has been a very strong council, as I think is recognized by the house. As a matter of fact it is composed of such a galaxy of names that I recall the hon. member for Greenwood said in 1954 that the former minister of trade and commerce (Mr. Howe) in outlining the personnel of the advisory council, was trying to dazzle the house. I should like to know if there have been any changes in the advisory council.

Mr. Churchill: I will answer both questions right now rather than wait for second reading. As to the first question, the answer is that there is no change at all. As to the second question regarding the personnel, one has resigned by reason of ill health.

Mr. Benidickson: Who was that?

Mr. Churchill: Mr. Koerner of Vancouver.

Mr. Benidickson: Has there been a replacement?

Mr. Churchill: Not yet.

Mr. Benidickson: I notice that at the end of 1956 there were fewer representatives from the prairie provinces, I think one instead of two, compared with former years. In view of the emphasis on the sale of wheat I was wondering whether the minister had in contemplation enlarging the representation of the prairies on the advisory council.

Mr. Churchill: I thank the hon. member for his suggestion.

Mr. Tucker: What proportion of the additional $100 million asked for in this measure does the minister envisage being used to promote the sale of wheat?

Mr. Churchill: It is impossible to estimate that. It depends on the negotiations, on the requests from various countries for our wheat. It might well be that the whole $100 million would be used for that. If so, I think that would be quite all right.

Mr. Quelch: The minister stated that there would no doubt be credit sales. Will the wheat board itself make the credit sales or will they be demanding payment in dollars?

Mr. Churchill: These credit sales are consummated through the trade. The various grain dealers conduct the negotiations, make the sale and apply to the corporation for the necessary insurance.

Mr. Bryson: Mr. Chairman, we in this group certainly welcome the fact that the government has seen fit to add another $100 million to the funds available under the Export Credits Insurance Act. I do so particularly because I see a hope that possibly through this measure we will be able to appeal to countries that wish to import our agricultural products to take advantage of this legislation. I hope that the minister—I am confident he will—will invite countries that wish to buy agricultural products from Canada to take advantage of the additional incentive that he has placed in this legislation.

I have particular reference to the question of buying Canadian rape seed. In the past we have sold great amounts of Canadian rape seed. As a matter of fact, it might be of interest to hon. members to know that today Canada is the largest producer of rape seed in the world. I believe it was in 1955 or 1956 that we sold our entire production to Japan, something in the neighbourhood of 40,000 tons. We have not sold any to that country since that time for the simple reason that Japan has not felt that she was in a position to buy because of the shortage of dollars.

Since that time we have had as our major market the United Kingdom and central Europe. Our sales to the United Kingdom have fallen off quite drastically. As I recall, they were in the neighbourhood of 7 thousand tons and I believe that in the past year they fell to approximately 4 thousand or 4½ thousand tons. But we are maintaining our sales to the Scandinavian countries. I am not prepared to say how much those sales amount to but they are considerable. Central Europe is not as interested in buying Canadian rape seed as they were previously, and again I presume it is because of the shortage of United States dollars.

Therefore I hope the minister will invite these countries to take advantage of the opportunities provided under the Export Credits Insurance Act. I also think we have to do something else. If we are going to interest these countries in buying Canadian rape seed products these products must be competitive with the products of the United States. That applies particularly to oil seeds. I am not going to pursue this matter too far. I hope on another occasion to expand the proposition I am going to mention briefly now. I think it falls in line with the wishes and desires of the Minister of Trade and Commerce in that he has said in effect that he thinks it would be a good thing if we could divert some of the acreage now planted to wheat to some alternative crop or to the raising of livestock, and I entirely agree with him.

I am not sure about the production of rape seed in the whole of Canada but I do know that in Saskatchewan last year we grew in the neighbourhood of half a million acres and it is estimated by Mr. A. D. Miller, the manager of the oil seed processing plant in Saskatoon, that this coming year we could expand that acreage to 1½ million acres. That would be very desirable if we could market the product and we will only market the product if it is competitive with other oil seeds being offered on the world markets.

Therefore we have to see if we can do something to make the product competitive. The first thing I think we must do, and I believe the minister will agree, is to lower the freight rate on the movement of rape seed from the prairie provinces to the lakehead and to Vancouver. At the present time it is 70 cents a hundred as against 23½ cents for flax. It is very unfair, it is discriminatory and causes great hardship for the producers of rape seed. That is only one thing to which we should give consideration if we really want to divert acreage now planted to wheat to some alternative crop.

There is something else I should like to mention to which we must give serious consideration. I refer to the tariff problem existing in this country with relation to oil seeds. We have a potentially great market in this country. Rape seed oil has been under some suspicion because scientists and other people interested in the welfare of the Canadian people have suspected that rape seed contains cholesterol which aggravates heart conditions. But just recently, as a matter of fact in the last month I believe, the national research council issued a report and in that report it is stated quite emphatically as far as they are concerned oil made from rape seed is just as acceptable as any other vegetable oil product. We have a potentially tremendous market in this country and in other countries provided those other countries have the money to buy the product.

I am going to sit down in a moment because I am not going to expand this proposition at this time. There is no tariff on oil seeds or oil processed from such seeds coming into Canada from the United States but there is a substantial tariff on oil seeds and the oil product going into the United States and this situation is causing severe hardship. The people who grow soy beans in Canada must be confronted with the same problem as producers of rape seed.

Here is what is happening. The people in Minnesota and the corn belt of the middle western states who grow soy beans are shipping them into Canada and they are being processed into oil. They can take the oil back to that country if they like but in many cases prior to 1954 they were mixing the United States product with 25 per cent Canadian oil, whether sunflower, soy bean or rape seed oil, and shipping that oil to the United Kingdom thus getting the benefit of the British preferential tariff.

Now that is a pretty deplorable situation. Since, 1954, of course the tariff board has ruled that the mixture must contain not less than 50 per cent Canadian oil, but if that United States product is mixed with 50 per cent Canadian oil it can still be exported to the United Kingdom and be eligible for the British preferential tariff. This is working a real hardship on the producers of this country who are trying to produce an alternative crop in order to receive ready cash.

Now what is the other side of the picture? If we ship rape seed to the United States there is a one cent per pound tariff; if we process rape seed in this country and attempt to ship the oil down there, what do we find? We find on every gallon of oil there is a 5½ cents a gallon tariff plus 2¼ cents per pound tariff on that product and yet we allow the U.S. to export their products into this country, mix it with a percentage of our product, and ship it to the United Kingdom, thereby giving them the opportunity to take advantage of the British preferential tariff. A pretty deplorable state affairs.

This simply means we cannot compete with the United States product. As I said at the beginning of my remarks, we are losing our markets in the United Kingdom and central Europe and I am fairly confident that we are losing them because of the situation I have pointed out. I therefore want to suggest to the minister that here we have an opportunity of growing an alternative crop and taking acreage out of wheat production, which is most desirable. First of all however we have to see that our crop is competitive with other crops in other countries. I suggest to the minister that he give some consideration to what I have said in this respect and finally that he invite other countries to take advantage of the act which is now before us in order that we may dispose of some of our surplus agricultural products.

Mr. Churchill: Mr. Chairman, I would just like to say a word or two in comment on the remarks of the hon. member for Humboldt-Melfort who has twice today made a very constructive speech in the House of Commons. I appreciate his suggestions and will most certainly give consideration to the items about which we have spoken tonight.

The members of the Canadian wheat board are very active in the promotion of sales of our wheat and other grains. I have become well acquainted with them; I had the opportunity of travelling with them in the United Kingdom and other parts of Europe in September when we were discussing the methods of promoting the sale of our wheat. They told me that an increase in the amount of money available under this particular act would be very helpful and when they visit the various countries in Europe, in the future or when they deal with representatives of those countries in Canada, providing parliament passes this amendment they will then be in a position to negotiate with much greater freedom. They have pointed out to me that several suggestions have been made to them with respect to the desire of the various countries to buy Canadian wheat, although they did not have the ready cash available. These countries would like to have credit arrangements made. Now the purpose of this amendment is to give the Canadian wheat board that room for manoeuvre.

The hon. member for Humboldt-Melfort also dealt with the question of rape seed and the disadvantages of making the Canadian product competitive in the world markets because of freight rates, etc. He also drew my attention to what amounts to almost a special privilege to United States rape seed growers in enabling them to take advantage of the British preferential tariff by shipping to Canada, having the rape seed mixed with the Canadian product and thereafter shipping to Great Britain. The first of these two points had previously been drawn to my attention; the second one had not, or if it had it had escaped my notice, and I am very grateful to the hon. member for having mentioned those subjects tonight. We have every hope that this amendment which we have proposed will be of some assistance. We are not pinning all our hopes on just this one measure, however, but, on the contrary, we are prepared to consider any reasonable method for the disposal of our surplus products.

Members of this house have been asking questions of me from time to time and have attempted to get some positive answers which could not be forthcoming because some of these plans have not yet been brought to fruition, but I can assure the house that we are not overlooking any method of disposing of Canada's surplus products. In the course of time we will have proposals to bring before the house leading to this end. We recognize

that we cannot match the United States surplus disposal program because, as a country, we have not the financial capacity to do things on the grand scale upon which they do them. However, we have the same desire to assist the under-privileged nations of this world and I think there is the same generous feeling in the minds of Canadians as there is in the minds of the people of the United States. We have every intention, as a government, of doing what can be done along that line. I would just complete my remarks by saying that this particular measure is only one of the various steps which I hope we will be able to take towards disposing more rapidly of our surplus products.

Mr. Benidickson: Mr. Chairman, several times during this session we have had discussions about the possibility of trade with China and I think we have been intrigued with the potential in that regard. I wonder if the minister would care to say whether or not he would at this particular time regard trade with China as worthy of his recommendation under section 21, for the purpose of credit insurance.

Mr. Churchill: Well, trade with China is a matter of very considerable concern to many countries in the world. Representatives from many nations have been visiting China recently in order to stimulate their respective trade. Our trade commissioner in Hong Kong has recently visited China and I hope before the end of this week to be able to report to the house with regard to his observations in that country. Until, however, I have received a report from him I am not in a position to state whether or not anything might be done, but the position I have taken when I have previously been asked this question is that we are not opposed to trading with any country in the world. It is a question of whether proper arrangements can be made and if China can purchase our wheat, and needs it, I do not see why we are not quite ready to sell. If our trade commissioner reports that there is an opportunity, or a desire on the part of China to purchase wheat from Canada, I think that would be very seriously considered by the Canadian wheat board.

Mr. Marler: I should like to ask the minister a question. He referred to the report from the trade commissioner at Hong Kong. Am I to understand that the report has not been received by the minister?

Mr. Churchill: The report has reached Ottawa. I have not had a chance to read it, because I returned only yesterday, but I think that between now and tomorrow I will have a chance to peruse it.

[Mr. Churchill.]

Mr. Schulz: Mr. Chairman, I should like to say just a word on this subject. I will make it very short because we have already received a lecture today on co-operation, and believing in co-operation I will abide by the decision which has been made. The reason I am so patient is because I am trying to facilitate the business of this house so that we can get to this farm bill, because that will be the biggest thing on the agenda this session as far as I am concerned.

But I must admit it would be a wonderful opportunity to talk about wheat marketing and exporting, especially after we have heard today that our exports went down by 22 million bushels in the new crop year compared with last year. It would be such a wonderful opportunity to get at the Minister of Trade and Commerce, after we have missed him for two weeks.

Mr. Churchill: Go ahead. I am here, I can take it.

Mr. Schulz: I should just like to say that so far as farm organizations are concerned we have always asked that consideration should be given to selling our wheat by more diversified methods such as the acceptance of foreign currency, trade credit arrangements and even relief programs if necessary and I would say that credit arrangements is one of those things. Of course, it has already been instituted by the previous government and I am very happy that this government should see fit to increase the amount available for these credit arrangements with other countries.

That is a step forward, but I am rather disappointed to have to say that it is perhaps the first forward step taken by this government and, also, I must admit that it is a very small step, especially compared with what has been done in the United States. I admit that the United States is a rich country, and perhaps we cannot go quite as far as they have, but $100 million compared with $1,500 million which is available in the United States right now does seem a difference which is a little too great in my opinion, and I think Canada could do much better than this. But my disappointment goes deeper. Surely the minister will admit that if it is necessary to increase the amount available for credit it should be just as important to extend the terms of the credit, and as I understand it our creditors are given only two or three years at the present time. I do not think that is even half good enough. Surely we can do much better than this. The United States is extending credit terms as far as 20, 30 or 40 years.

This is what I have to be critical about: we are lagging behind, and in spite of the

fact that I appreciate this proposal I still say that there is a lot of room, especially when our wheat marketing problem in this country is a much greater problem than it is in the United States for a more urgent approach to the situation. I hope that before this bill goes through the minister will consider the proposal that we should at the same time increase the terms of the credit at least up to five or ten years. If the minister will accept that, I would even forgive him for being so complacent yesterday when he answered a question about this possible wheat deal with Australia; when he just pushed it off and said: well, if they want the wheat we are willing to sell it.

I do not think we can take this thing so lightly today. We are in a buyers' market. Regarding this Australian possibility, I should like to read the committee a quotation from the Winnipeg *Free Press* of December 2.

> Broomhall's Corn Trade News, published in England, recently reported that, as a result of drought, the Australian wheat board is prepared to recommend to the Australian government that it buy 22 million bushels of wheat from Canada.

I think that if I were the Minister of Trade and Commerce I would be out there seeing that these people buy the wheat from us; I would not wait until they came and asked us; I would go out and ask them. In conclusion, I say to the minister that he should not only increase the amount of credit available, though this is appreciated, but that he should consider taking one more step and extending the terms of credit available, too.

Mr. Churchill: Mr. Chairman, I appreciate the co-operative mood of the house tonight after the stormy scenes this afternoon. I should like to say to the hon. member who has just resumed his seat that I am not a bit complacent about the wheat situation. When the question was put to me about the sale of wheat to Australia I had not seen that article in the paper and I had not been informed about the proposal from Australia. I did not have the facts before me. But we are quite prepared to sell to any country which wants to buy from us, and we are certainly quite prepared to sell to Australia. We have not been at all slack in attempting to push the sales of our wheat.

With regard to the extension of the credit terms, that has also been under consideration. I have raised the question myself on several occasions and the judgment of the wheat board, who are very experienced people in this business, is that the present arrangements are the better type of arrangement. We considered the long-term arrangements in the United States—10 or 20 years, or whatever it is—but with regard to the sale of wheat it is the opinion of the Canadian wheat board that these long-term arrangements are not as suitable as the present ones which they advocate.

Resolution reported and concurred in.

Mr. Churchill thereupon moved for leave to introduce Bill No. 199, to amend the Export Credits Insurance Act.

Motion agreed to and bill read the first time.

NATIONAL HOUSING ACT

AMENDMENTS RESPECTING AGGREGATE AMOUNT AVAILABLE, DOWN PAYMENTS, ETC.

Hon. Howard C. Green (Minister of Public Works) moved that the house go into committee to consider the following resolution:

> That it is expedient to introduce a measure to amend the National Housing Act, 1954 to increase from two hundred and fifty million dollars to four hundred million dollars the aggregate amount that may be paid out of the consolidated revenue fund under subsection 1 of section 22 of the act; and also to provide for the reduction of down payments.

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. Green: Mr. Chairman, hon. members will notice that this resolution deals with two proposed changes in the National Housing Act; one to increase the amount that is available under section 22 of the act from $250 million to $400 million, and the other to provide for a reduction of down payments. This measure is not designed to be an over-all revision of the National Housing Act. It was not the intention of the government to open the act at all at this session and I gave an answer to that effect to one of the members on orders of the day some weeks ago but the plan which we adopted in August to help in the provision of low-cost homes has been so successful that we now find it necessary to ask for further funds. While doing so we are also asking for a change to lower the down payments because we think that would also be a great help in the provision of housing in Canada at the present time.

I should like to sketch in a bit of background and my first comment would be this. There has been a decline in housing starts from the maximum of 1955. In that year there were 138,000 new housing units started. During 1956 construction was started on a smaller number, namely 127,000 units. It became evident early in 1957 that there would be a further decline in the quantity of new housing started and in the first six months

of this calendar year there were only 48,500 starts as compared with 60,200 in the same period in 1956.

When the new government took over we very soon found that a fear was developing in the homebuilding industry of Canada. Builders were very much concerned. They knew, of course, of this falling away of starts and they thought there would be unemployment in their industry. That fear was spreading back into the lines of activity in Canada which supply the materials for homes including, of course, furniture and other essentials; and certainly there was more depression mindedness, if I may call it that, in the homebuilding industry than possibly any other industry in Canada.

We also found that there was a shortage of low cost homes. There was a real demand for cheaper homes but the trend under the National Housing Act and in the ordinary loan business had been in the direction of more and more expensive homes. I was very much surprised to find that the qualifying income for the average National Housing Act loan made by approved lenders in the month of September of this year was $5,350. The average income for borrowers under the National Housing Act was $5,829. There is some reason for this trend because it is a good deal easier to handle a large loan than it is to handle a small one and I think some preference has been given by the different institutions to the larger loans.

Mr. Marler: I do not want to interrupt the minister but does he refer to the average income of applicants or was that the minimum income that an applicant could have?

Mr. Green: The figure I gave represented the average income of borrowers. Faced with that situation we decided to act and a decision was taken to extend the direct lending of the government. It was our view that money should be found without delay to keep the housebuilding industry in active employment and to maintain the supply of housing for an expanding population. We were especially concerned at the difficulties faced by families of ordinary means in raising mortgage money and, as I said, we decided to extend the direct lending activities of the government.

This is where section 22 of the National Housing Act comes into the picture. It provides the authority for moneys to be advanced to Central Mortgage and Housing Corporation out of the consolidated revenue fund to an amount not exceeding $250 million. Such funds have been available to the corporation for making loans. By government policy for some years the corporation has made direct loans for certain specified categories of housing. These were principally in the cases of prospective home owners in communities of less than 55,000 population where National Housing Act loans were not available from private lenders approved under the act.

Another type was in the form of loans to limited dividend companies under section 16 of the act for low rental housing. In addition there are other special types of direct loans such as those to primary industries under section 17 and those made to defence workers.

Hon. members will observe that direct loans were not made for ordinary home ownership purposes in the larger urban centres and were not available to house builders producing housing for sale nor, in recent years, for rental. This government source of funds, in fact, had not been used to supplement private National Housing Act investment in the larger cities where the principal supply of new housing is required.

By August of this year about $100 million of the total of $250 million had been used for direct loans, for the purposes which I have mentioned. The government decided at that time that the balance of these moneys—that was roughly $150 million—should immediately be made available in a way that would have the most beneficial effect upon employment in the housing industry and in areas where the need for accommodation was most acute.

We placed certain restrictions on these loans because we felt it was vitally important that they should be used to help people build smaller homes. We were deliberately not trying to give this kind of help for building of the more expensive homes. Restrictions were primarily in the nature of limitation on the floor area. For example, for a three-bedroom bungalow, the floor area allowed was 1,050 square feet. Then, there were other restrictions in the way of not allowing certain features in the home which, while they were very desirable, were not considered as entirely necessary.

As the plan has worked out, the average floor area of bungalows under this agency loan plan is 1,014 square feet which compares with an average of 1,137 square feet for bungalows financed by National Housing Act loans through approved lenders during the year 1957.

Mr. Marler: Did the minister say 1957?

Mr. Green: Yes, during the year 1957. These restrictions have, I think, worked out very well. They are comparatively simple and they have helped bring down the cost of the homes. For example, in September the cost of homes being built under this small

home loan program averaged about $2,000 per home less than the cost of single family dwellings financed by approved lenders during the same period.

Hon. members may wonder why the Central Mortgage and Housing Corporation did not make those loans directly itself through its own branches. That, we felt, would have resulted in a good deal of delay and it seemed far more practical to work through the regular lending institutions. We believed it would be advisable to utilize the services of the banks and other approved lenders who have developed business relationships with house builders and house purchasers through the National Housing Act. We were aware that since we wanted to get immediate action before winter closed in upon housing construction it might be difficult to effect the necessary arrangements for the private lenders to act as agents of Central Mortgage and Housing Corporation in this new operation. I would like to take this opportunity to express my admiration for the speed and the efficiency with which those arrangements were made by the banks and the insurance companies and the other approved lenders. We have had first-class co-operation from them and the results have been very gratifying, Mr. Chairman.

I have a report here up to the end of last week, and the loans approved up to November 29 amounted to $132,594,438. In addition to that, there were potential loans in the process of going through the offices estimated at $25,840,000. That makes a total of $158,434,438, so that the scheme is already over the top; we are already over the $150 million.

It has not gone so well in the Atlantic region. There, as of the end of last week, the aggregate volume of loans approved was only $2.1 million for 249 units. It dragged considerably also in the province of British Columbia which should normally take about one-tenth of the total loans across the country. The figure for the west coast province, as of last week, was $8.8 million for 980 units. I do not have the starts under this plan to date. We do not normally get them until the end of the month, but I gave the house figures some days ago and at that time the total starts were 5,992. They will be considerably higher than that at the present time.

From these figures it will be clearly seen that we now require further funds and that is why in these amendments we are asking the house for a further $150 million. I point out that all of that amount will not be available for this low-cost housing plan because, while these activities have been going on, there have also been very extensive activities in the other fields which were covered by section 22, particularly in buildings under the limited dividend corporation plan and also in the direct loans in the smaller centres of the country.

I have here the figures for those types of loans as well. For example, under section 16 there have been approvals since the act was first brought in, in 1954,—and that is when the figure of $250 million was set—of $61,368,987, and there are advances under that section being processed of $4,235,948. Under section 17 there have been approvals amounting to $7,020,451, and under section 40—these are direct loans to the smaller centres —amounting to $56,454,565. The additional $150 million, therefore, will have to be used for the purpose of these other types of advances as well as for the small homes. I estimate, however, that there should be from $75 million to $100 million of this additional amount we are asking available for the smaller homes.

So much for that part of this amendment which will provide additional funds. May I now refer to the other part of the amendment which will reduce the down payment under the act. I have several speeches here prepared for me, and it is becoming rather confusing.

Mr. Marler: Do not give us the same one twice.

Mr. Green: That is the dangerous part of ad libbing in the middle of these written speeches; I am trying to make my remarks more interesting. The second amendment in the bill is to reduce the down payment which borrowers have to make if they are buying or building a new home under the National Housing Act. In this way it is hoped to make it easier for families of modest means to obtain mortgage money under the act. At present the act provides that a borrower may obtain a loan amounting to 90 per cent of the first $8,000 of lending value and 70 per cent of the lending value in excess of $8,000. The amendment will enable a borrower to obtain a loan amounting to 90 per cent of the first $12,000 of lending value, together with 70 per cent of the lending value in excess of that amount. These larger loans will be available to home owner applicants, to builders and to co-operative housing associations constructing either single family houses or two-family housing units.

These new maximum loan ratios would apply to loans made by Central Mortgage and Housing Corporation under section 40 of the act under either the agency or the other lending programs. They would also permit approved lenders to make higher ratio insured loans out of their own funds. I have here a table which perhaps hon. members will

allow me to have printed in *Hansard* which will explain clearly just what these changes would mean. We are not raising the maximum of $12,800. Under the present act where the home has a lending value of $10,000, the loan would be $8,600 and the down payment would be $1,400. Under the proposed amendments the loan would go up from $8,600 to $9,000 and the down payment would go down from $1,400 to $1,000. Where the lending value is now $11,000, the loan would be $9,300 and the down payment $1,700; that is under the law as it is now. Under the proposed change, the loan in such a case would be $9,900 and the down payment $1,100. Where the lending value is $12,000 under the present law, the loan would be $10,000 and the down payment $2,000; under the amendment the loan would be $10,800 and the down payment would be only $1,200. There are other figures in the table which hon. members will see, running up to $16,000 at which figure the down payment would be the same in both cases.

I see it is practically ten o'clock but I am very nearly finished. If hon. members do not object, I will continue.

An hon. Member: Carry on.

Mr. Green: One thing I should like to make very clear is that we have had excellent co-operation from builders across the country under the small homes plan. It would be very unfair if they were to be caught now with unsold houses on their hands after we have made this change in the amount of down payment. We propose to see that they do not suffer for that reason. It is planned, therefore, that home owners and builders who are already building under the agency loan program will be permitted to renegotiate their loans so that they can take advantage of the higher loan ratios, provided the loan moneys have not been fully advanced. Similarly, any home owner who has obtained a non-agency loan from Central Mortgage and Housing Corporation under section 40 and to whom only a portion of the loan so far has been advanced will be eligible to claim a higher loan ratio. In both cases the borrower will have to bear any legal charges associated with the renegotiation of the loan.

Then, as I pointed out, we are not making any increase in the ceiling on loans above the figure of $12,800. There is one other change which will be made by regulation, and that is to raise the proportion of an applicant's income that he can spend for the servicing of his loan. When you lower the down payment, you increase the size of the loan accordingly and there is just that much more to be paid. In order to give the maximum help to Canadians with smaller incomes we are raising this ratio.

Coupled with this increase in loans it is proposed that there should also be a change in the regulation affecting the relationship between a borrower's income and the loan he may obtain. Up to now an approved lender has been required to obtain approval of Central Mortgage and Housing Corporation for loans to applicants proposing to assume debt service over 23 per cent of his income. The amended regulation will authorize approved lenders to proceed without special approval up to 27 per cent of income.

Once again, this will help fulfil the government's aim of making housing loans more readily available to families of moderate means. The government believes that there are many borrowers who would be prepared to put a larger proportion of their income into houses if they were able to obtain a home of their own. The direct effect of raising the ratio of debt service to 27 per cent will be to enable more families to qualify for National Housing Act loans.

For example, to qualify without special approval—there is now a provision for special approval by Central Mortgage and Housing Corporation for higher ratios—at present for a $9,000 loan a borrower has to have an income of about $4,050. I should say that the actual income required will depend upon the size of municipal taxes, but I am taking $240 as a representative municipal tax figure for the purpose of this example.

Under the 27 per cent rule it will only be necessary to have an income of $3,450 to qualify for a loan of this size. In other words, the income requirement would come down from $4,050 to $3,450.

Similarly, under the new down payment arrangement a borrower can obtain a $12,200 loan on a $14,000 house but with existing regulations regarding the size of debt service he would require an income of nearly $5,200 a year to qualify for a $12,200 loan. When the 27 per cent rule takes effect an income of $4,360 a year will be sufficient.

This change will be made by changing the regulations, not by amending the act. Quite frankly, I should like to be able to help an income group even lower than those who will be helped by this legislation.

Finally, the objectives of these amendments and of the change in regulations are to provide homes for the lower income groups and to raise the morale of the home building industry and all the associate industries. In that regard I think hon. members will agree that our existing plan has already gone quite far in the direction of achieving

that objective. The objective is also to furnish employment because the building of all these homes at this time means a great many thousands of additional jobs in Canada. Above all, the objective is to build a better Canada.

As I said in opening my remarks, many other plans are under study by Central Mortgage and Housing Corporation. We would be very glad to have the co-operation of private members of the house. Some of the private members on the government side were very interested in housing and they asked to be given the opportunity to study the whole housing question. They have been doing that with the co-operation of the corporation's officials. Private members of the official opposition have made the same request and they have been given exactly the same facilities. We would be glad to extend those facilities to the members of the other two parties who might be interested in carrying out such a study because these are complicated questions. I do not pretend to know half the answers myself and we want all the help we can get.

I should like to close with a word of commendation for the splendid work done in the field of housing by my predecessor, the Hon. Robert Winters. He and I were friends from the time he first came into the house. I always admired him greatly even though criticizing him pretty severely at times. I realized how much effort he was putting into this job and when I took over the department I was not a bit surprised to find that he had really done a first class job in the housing field. I doubt whether he always got the support from the government that he would have liked. However, sometimes we all have these troubles, I suppose.

Mr. Marler: Who can speak with better authority?

Mr. Green: I should also like to pay credit to the officials of Central Mortgage and Housing Corporation. I think they are doing a splendid job for Canada. They have many new and trying problems to face and I am sure we all agree that they merit words of encouragement. I should also like to thank the committee, Mr. Chairman, for allowing me this extra time to finish my statement.

Mr. Barnett: Is it understood that the table to which the minister referred earlier is to be included in *Hansard?*

Mr. Green: Yes and I will do so. The table follows:

Effect of Changes in Loan Ratio on Down Payments—Maximum by Regulation, $12,800

	Present Act 90 per cent on $8,000 70 per cent on balance		Proposed Amendment 90 per cent on $12,000 70 per cent on balance	
Lending Value	Loan	Down Payment	Loan	Down Payment
$10,000	$ 8,600	$1,400	$ 9,000	$1,000
11,000	9,300	1,700	9,900	1,100
12,000	10,000	2,000	10,800	1,200
13,000	10,700	2,300	11,500	1,500
14,000	11,400	2,600	12,200	1,800
15,000	12,100	2,900	12,800	2,200
16,000	12,800	3,200	12,800	3,200

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: What is the business for Thursday?

Mr. Green: Tomorrow we shall take the estimates of the Department of National Defence and, if we finish those estimates, the estimates of trade and commerce.

Mr. Chevrier: You suggested finance for Friday. Is that still the intention?

Mr. Green: I am not sure whether finance would be on Friday or Saturday. My plan is to have finance one day and trade and commerce the other but I cannot say tonight on which day we will take which estimates.

Mr. Chevrier: Can we take it for granted that we will have estimates on Saturday as well?

Mr. Green: So far as I know at the moment, Mr. Speaker.

It being ten 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:

POSTAL THEFTS

Question No. 151—**Mr. Robichaud:**

1. Did any thefts of postal stamps, money orders, postal notes, cash or otherwise, occur in the different post offices of Canada from June 21, 1957 to date? If so, how many?

2. What was the total sum involved and what new measures if any have been taken by the Post Office Department to prevent such incidents?

Answer by: **Hon. W. M. Hamilton (Postmaster General):**

1. Yes; there were 143 cases where post offices were broken into and in 63 of these cases no cash or postal supplies were stolen.

2. The amount of cash stolen was $10,742. In addition, postage stamps, unemployment insurance stamps, postal scrip and money order forms were stolen. The postage stamps and unemployment insurance stamps do not represent a loss unless they are used. Money order forms do not represent a loss unless they are cashed at post offices.

Security measures now being taken:

(a) Continuation of the program for gradual replacement of all safes in post offices occupying premises provided by the Department of Public Works with new type safes designed in co-operation with the R.C.M.P.

(b) In the planning of new post office buildings, provision is made for a built-in "strong room" containing a burglar-resistant money chest for the cash.

(c) In April of this year, agreement was reached with the Department of Public Works for the installation of glass "ports" in mail lobby doors for new post office buildings. This is to enable our employees to identify callers before opening the mail lobby doors. On doors already installed without ports, provision has been made for the installation of security chains and this program is being carried out at district level.

(d) On June 20 as a result of an agreement with the Department of Public Works, field officers were instructed to arrange with local district architects for the removal of casters on post office safes and where considered practicable have these safes bolted to the floor to increase the difficulty of their illegal removal.

(e) The use of night depository service at banks is being continually extended to reduce the amount of cash held overnight.

(f) Security transfer services are used where necessary to transfer larger amounts.

ASSISTANCE TO LUMBERING INDUSTRY, B.C.

Question No. 168—**Mr. Christian:**

What steps have been taken by the government since June 10, 1957, to help the lumbering industry in the province of British Columbia, and especially the small loggers who face adverse market conditions?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. The government has already made available for housing loan purposes $150,000,000 and has placed a resolution before the House of Commons which would provide a further $150,000,000 for these purposes. These steps are of substantial indirect assistance to the building industry as with an increase in housing construction will come an increased demand for timber and timber products.

2. An agreement was entered into with the government of the province of British Columbia whereby the government of Canada will pay one-third of the cost of spraying forests in the northern part of Vancouver island to combat an outbreak of the black-headed budworm. Present indications are that the federal contribution will exceed $83,000.

3. An agreement was entered into with the government of the province of British Columbia whereby the government of Canada will contribute, mainly on a 50 per cent basis, toward the cost of capital expenditures made by the province for equipment, roads, etc., required for forest fire protection. It is expected that the federal contribution for 1957-58 will be over $74,000.

4. Indirect assistance is being given through the program of forest research carried on by the federal government in British Columbia including the work of the forest products laboratory at Vancouver. Expenditures in 1957-58 will likely exceed $250,000.

PUBLIC WORKS DEPARTMENT—RESIGNATIONS

Question No. 234—**Mr. Pickersgill:**

1. Have any civil servants, apart from stenographers and clerks, employed at headquarters of the Department of Public Works resigned since June 21, 1957? If so, how many?

2. What is the name and former duty of each?

3. What reason was given in each case for the resignation?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Yes, four.

2. (a) S. Ferizi, technical officer 3; (b) R. M. Bullock, technical officer 7; (c) S. H. Osaka, architect 1; (d) R. G. Gauthier, technical officer 3.

3. (a) No reason given; (b) resigned as an alternative to carrying out departmental instructions; (c) returned to university; (d) returned to university.

STAMP ISSUE—THE QUEEN AND PRINCE PHILIP

Question No. 240—**Mr. L'Heureux:**

What is the total number of stamps comprised in the issue bearing the picture of Her Majesty the Queen and His Royal Highness Prince Philip?

Answer by: **Hon. W. M. Hamilton (Postmaster General):**

51,260,000.

COAL SUBVENTION PAYMENTS, MARITIME PROVINCES

Question No. 250—**Mr. MacEachen:**

Will the subventions on coal to be used in connection with thermal plants in the maritimes be paid to privately owned companies now operating in the provinces of Nova Scotia and New Brunswick in the same manner as to the provincial power commissions?

Answer by: **Hon. Paul Comtois (Minister of Mines and Technical Surveys):**

The regulations governing the payment of subventions on coal used in thermal plants in the maritime provinces form part of the agreements under negotiation with the authorities in the provinces concerned. Until the agreements are finally concluded, no statement can be made as to the payments.

FEDERAL PAYMENTS, TERREBONNE COUNTY, QUE.

Question No. 255—**Mr. Raymond:**

1. Were any payments made by the federal government to the city of St. Jerome, the town of Ste. Therese and the town of Ste. Agathe des Monts, in the county of Terrebonne, since June 10, 1957?

2. If so, what amounts and under what authority?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. Yes.

2. Ste. Therese $1,108.00 pursuant to the Municipal Grants Act.

WHEAT BOARD FLOUR EXPORTS

Question No. 257—**Mr. Hansell:**

1. Does the wheat board sell for export any flour milled in Canada?

2. If so, (a) how much flour has been sold in 1956, and 1957 respectively; (b) to what countries; (c) how much to each country; (d) what total dollar value to each country?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. No.

2. See answer to question No. 1.

HOUSE OF COMMONS

Thursday, December 5, 1957

The house met at eleven o'clock.

(*Translation*):

PRIVILEGE

MR. VILLENEUVE (ROBERVAL)—PROTEST AGAINST TELEVISION DESIGNATION OF LAKE ST. JOHN

Mr. Georges Villeneuve (Roberval): Mr. Speaker, I rise on a question of privilege to protest against the T.V. program "Pays et Merveilles" carried last night over the C.B.C. network and which had as its guest the president of the Saguenay historical society.

In the course of that program, a certain controversial theory was brought up with regard to a so-called kingdom of the Saguenay. The guest in question held the view that this area and the Saguenay district are one and the same. I wish to go on record as protesting against this statement since it tends to describe as a single area several different areas including the Lake St. John district, where I live, which has never gone under any other name but that of Lake St. John.

On behalf of my fellow citizens in the area, which comprises the present constituencies of Lake St. John and Roberval, I wish to protest to the C.B.C. authorities against this sabotaging of a name for which I have the greatest regard, a feeling which I share with my electors and with all those who live in this fine Lake St. John area. We wish to defend the true meaning of a designation which has been consecrated by over one hundred years of history and which is widely known even beyond the borders of Canada. We refuse to let the area be called otherwise than by the name which it has always had ever since there have been people living there, that is the Lake St. John area.

(*Text*):

LABOUR CONDITIONS

MONTREAL—REPORTED LINE-UP OF UNEMPLOYED AT BREWERY MISSION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I would like to direct a question to the Minister of Labour. In this morning's *Gazette* there is a picture of a line-up of men before the old brewery mission in Montreal, which undoubtedly he has seen; and according to the superintendent of the mission this is due to the present unemployment situation. However, in all fairness to the minister and to the superintendent I should add that he says the situation is not entirely due to unemployment but that there are other reasons for it.

I ask the minister in view of the picture, which I am informed is one of the first of its kind with respect to this mission in Montreal for a long, long time, what is being done by his department to put into effect the winter speed-up against unemployment in the city of Montreal.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, may I say first of all that I have not seen the Montreal *Gazette* this morning, and second that I have nothing further to add to what has already been said in this house with respect to the actions of this government in trying to help create employment for more people, and also our actions as expressed in the legislation which has now gone through this house to help alleviate the situation by the amendment of the Unemployment Insurance Act.

Mr. Chevrier: Then may I ask a supplementary question. The superintendent of the mission says that in order to carry on he must have another $40,000. Will the minister consider making that contribution from his department?

Mr. Starr: The government has received no request from anyone for this aid, but if a request is received I can assure the hon. member that it will be given consideration.

[*Later:*]

BRITISH COLUMBIA—REPORTED CLOSING DOWN OF HOWE SOUND COMPANY

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): I should like to direct a question to the Minister of Justice. Is the minister aware that last night the management of Britannia mine notified the workers that the mine would close down in two weeks unless assistance was forthcoming and, if so, can he make any announcement on government plans to give this required assistance?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I did receive word last night of a statement made by the mine manager in Vancouver to the effect to which the hon. gentleman has just referred.

I am not of course in a position nor would I care to comment in any way on the statement made in Vancouver. I can say, however, that I checked with the officials of the company in New York this morning, and can inform the house that this conversation confirmed the telephone conversation which took place I think on Tuesday, and to which I referred yesterday. The effect of these talks is that there is still some possibility that an arrangement might be reached which would enable the mine to continue operations, but on a reduced scale. The decision with regard to the reduced scale of operations is one which has been communicated to me by the company; it is not one which we have suggested.

Therefore the situation with which we are confronted is to see whether arrangements can be arrived at which would enable operations to be carried on on a reduced scale, and what can be done with respect to those men who would not be taken care of by such reduced scale of operations. That was the situation reported to me by the company last Tuesday as a result of their review of the report from the expert consultant whom they sent in to the mine.

REQUEST FOR PUBLICATION OF LETTER FROM MEMBER FOR VANCOUVER-BURRARD TO PRIME MINISTER

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, I should like to direct two questions to the Prime Minister. Is the Prime Minister aware that the hon. member for Vancouver-Burrard (Mr. Taylor) has made public a five-page letter addressed to the Prime Minister outlining the very serious unemployment situation in British Columbia and suggesting remedies? If so, will the Prime Minister consent to make his answer also public, so the people of British Columbia will know what action his government proposes to take on the recommendations of the hon. member for Vancouver-Burrard?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, all I can say is that I have not received the letter and have not received a copy of it. When it is received and when I see it naturally it will be considered, because above everything else this government wants to consider every matter that ought to be brought to its attention, and particularly one affecting the welfare of the people as a whole.

Mr. Sinclair: The Prime Minister may have forgotten my second question. It was, will the Prime Minister make his reply to that letter also public?

Mr. Speaker: The second question has become hypothetical. In view of the fact that the Prime Minister says he has not received the letter I do not think a reply to the second question is necessary.

FISHERIES

ELIGIBILITY OF SCALLOP AND LOBSTER FISHERMEN FOR BOUNTY

On the orders of the day:

Mr. L. R. Crouse (Queens-Lunenburg): I would like to ask the Minister of Fisheries a question. Will the minister advise the house if it is possible to add the names of fishermen engaged in the catching of scallops and lobsters to the list of deep sea fishermen receiving the fishing bounty?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, the short answer to the question is no, but perhaps I might be permitted to give some explanation as to the reason for that answer. The bounty paid to fishermen in the four provinces—Quebec and the three maritime provinces—arose as the result of a treaty made in Washington in 1871 between the government of Britain on the one hand and the government of the United States on the other, under which each nation granted to the other certain rights for its fishermen to fish in each other's territorial waters—in the case of Canada in the territorial waters on the east coast, and in the case of the United States the territorial waters as far south as the 39th parallel.

It was considered that the concessions made on behalf of Canada were greater than those made by the United States, so the terms of the treaty provided that a commission should be set up to arrive at the difference in value. This was done. The commission sat in Halifax and made an award known as the Halifax award, under which the United States paid to Britain the sum of $5,500,000. This was handed over by Britain to Canada and Newfoundland. Of this sum I believe just over $1 million was paid to Newfoundland and almost $4,500,000 to Canada.

This amount was considered by the Canadian government to be owned by all Canadians, and it was placed in the consolidated fund; but as the result of objections from the Atlantic provinces a bill was passed—an act now known as the Deep Sea Fisheries Act—under which a bounty was paid to fishermen. But since the treaty has from the very beginning specifically excluded shad, salmon, shellfish, and fish caught in rivers or the estuaries of rivers, the whole basis on which the award is made specifically

excludes that type of fishery, so it is considered impossible to pay any bounty now with respect to shellfish or lobster fishing of any kind.

WEST COAST—REQUEST FOR BOUNTY OR FLOOR PRICE ON DOGFISH

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like also to address a question to the Minister of Fisheries. Is the minister in a position to make a statement to the house on what the government intends to do about the request of west coast fishermen for a bounty on dogfish, or for a floor price to be established on dogfish livers and carcasses, in order to assist them during the coming winter season?

Hon. J. A. MacLean (Minister of Fisheries): No, Mr. Speaker, I am not at the moment in a position to do this, but the matter is under consideration. I will take the question as notice and answer when it is possible to do so.

NOVA SCOTIA—ASSISTANCE TO FISHERMEN FOLLOWING STORM LOSS

On the orders of the day:

Mr. T. A. M. Kirk (Shelburne-Yarmouth-Clare): I should like to direct a question to the Minister of Fisheries. In view of the severe southwesterly storms which have done a great deal of damage to the lobster traps in the southwestern end of Nova Scotia, is his department taking any specific action to assist the fishermen who have suffered this severe loss?

Hon. J. A. MacLean (Minister of Fisheries): I might say this matter is under consideration in the department. I am not in a position to make a reply at the present time.

TRADE

REQUEST FOR REPORT ON MISSION TO COMMUNIST CHINA

On the orders of the day:

Mr. Peter Stefura (Vegreville): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. Last night the minister stated he had received a report from the trade commissioner in Hong Kong. Could he now tell this house what officials our trade commission visited in China, and what was the result of that tour?

Hon. Gordon Churchill (Minister of Trade and Commerce): The report has been received. It is 50 pages in length, and I have not yet finished reading it. I am sorry I have not made more progress. I hope to finish it today, and perhaps if the hon. member would repeat his question tomorrow I will have the answer for him.

Mr. W. A. Tucker (Rosthern): A supplementary question, Mr. Speaker. When I raised a question along the same lines some days ago I asked the minister to tell the house what officials of the communist government were visited by this trade mission. Is he now in a position to give this information?

Mr. Churchill: If that is in the report, I have not reached it yet.

HAY—INSPECTION OF BRITISH COLUMBIA IMPORTS

Mr. F. C. Christian (Okanagan Boundary): Mr. Speaker, I would like to direct a question to the Minister of Agriculture, notice of which has been given. What notification, if any, is given by the federal government to the province of British Columbia to advise it when hay is to be imported, to make it possible for the British Columbia government to establish whether such hay is free from the presence of obnoxious weeds?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, no statement of intention is required with respect to intended imports of hay. Therefore no information on this point can be conveyed by this government to the government of British Columbia.

The Department of Agriculture maintains a hay grading service which is available to buyer or seller on application and the payment of the established fee. Inspection is not compulsory, and individuals are free to buy and sell either imported or home grown hay according to their own arrangements. Most provinces have weed control legislation and their own means of enforcement, which apply equally to imported and home produced material which may be regarded as likely to spread serious weed infestations.

FLOUR—REPORTED INCREASE IN EXPORTS TO CARIBBEAN AREA

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, my question arises out of a news report appearing in the *Western Producer* commenting on a report from the Canadian trade commissioner in the Caribbean with respect to Canadian flour exports to that area. Can the Minister of Trade and Commerce inform the house whether the serious trend involving a drop in our exports of Canadian flour to that area has changed, as reported in this article? If so, has the trend changed because of the lowering of the export price of flour to that area, and must

the Canadian producer stand the price reduction? Can the minister inform the house if the government will take into consideration the making of deficiency payments to the producers, so the farmers will not have to carry this additional load?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, it is difficult to determine whether a question is being asked or a speech made. If the hon. member will let me see these various newspaper reports and if I have an opportunity to read his speech in full, perhaps I will be able to give him a reply.

Mr. McCullough: Can the Minister of Trade and Commerce inform the house whether exports of Canadian flour to the Caribbean area have dropped quite seriously?

Mr. Churchill: We have lost some of our export market for flour in the Caribbean area during the course of this year, largely due to increased shipments of United States flour into that area under a very substantial subsidy. Our exports of flour have declined.

Mr. McCullough: Can the minister inform the house what action has been taken by the Canadian government to correct this situation?

Mr. Churchill: We drew the situation to the attention of the United States authorities. Unless we are prepared to subsidize Canadian flour to the same extent that United States flour is subsidized, I am not sure what other action can be taken at the moment. The matter is under consideration. We hope we will be able to retain our long-established market for Canadian flour in that area. This may be only a temporary condition.

Mr. M. J. Coldwell (Rosetown-Biggar): How does this conform to the understanding we believed was arrived at when the minister returned from Washington, that the program of the United States would not interfere with our established markets?

Mr. Churchill: This had been going on for a considerable time before we visited Washington. I do not know whether any action was taken by the former administration with regard to the matter. The assurances given us at Washington had to do with barter deals for wheat in exchange for strategic materials involving our cash customers, the United Kingdom and various countries of Europe.

Mr. McCullough: Can the Minister of Trade and Commerce state to the house that any policy the government finds it necessary to adopt to meet this competition will not mean that the burden will have to be carried by the western producers?

Mr. Churchill: I think not, Mr. Speaker.

AGRICULTURE

BUTTER AND EGGS—QUANTITIES STORED BY AGRICULTURAL PRICES SUPPORT BOARD

On the orders of the day:

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, yesterday the hon. member for Melville asked me two questions in regard to the amount of butter and the number of cases of eggs held by the agricultural prices support board. The answers are as follows.

The first question was: How much butter was held in store on December 1 in the years 1955, 1956 and 1957. Figures are not available for that precise date, but the figures I am giving are correct within one or two days in each case. On December 2, 1955, there was in store 92,333,442 pounds. On November 30, 1956, there was in store 81,072,016 pounds. On November 29, 1957, there was in store 34,052,254 pounds.

The other question was: How many cases of eggs had the agricultural prices support board in store on December 1, 1955, 1956 and 1957. In all cases the answer is nil. None were in store on those dates. I might add that I can quite appreciate the hon. gentleman's interest and curiosity about the number of eggs in store on the last date, because he left me a legacy of about 360,000 cases of eggs, 30 dozen in a case. I am very pleased to be able to tell him that as a result of using the most energetic selling means possible we have managed to dispose of all those eggs.

PUBLICATION "CANADA—PRICES OF SELECTED AGRICULTURAL PRODUCTS"

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I would like to direct a question to the Minister of Agriculture. Has the minister now made inquiries to ascertain whether in fact in this house some days ago he referred to a document which was a secret document, and as a result of his inquiries can he say whether this secret document will now be made available to all members of this house?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, the document referred to, which is entitled "Prices of Selected Agricultural Products", was put out by the economic division of the Department of Agriculture and is not a secret document. I must, however, apologize to the hon. member and

to the house for having been under the misapprehension that it was a document which was put into general circulation in the same way as numerous other documents concerning price information, which are given general circulation by the Department of Agriculture.

I find that this document was circulated only within the department, due to the fact that there are six or seven statistics in it secured from the bureau of statistics which the bureau of statistics itself did not publish. It was therefore considered inappropriate by the officials of the Department of Agriculture for them to publish figures which the bureau of statistics had not published, and it has not been made a public document.

However, having now discovered what is the situation in regard to this matter, I have given instructions that any figures of this sort—and there are only six or seven of them all told—shall be left out of this particular document, and the document from now on will be available to all members and anyone else interested in it, because I am only too anxious to make all the price information which we have and can secure available to members and other interested people.

POWER

COLUMBIA RIVER—STATEMENT AS TO ENGINEERING REPORTS

On the orders of the day:

Hon. D. S. Harkness (Acting Minister of Northern Affairs and National Resources): Mr. Speaker, on December 3 in response to a question by the hon. member for Montmagny-L'Islet the Minister of Northern Affairs and National Resources informed this house that the final report of the British Columbia Engineering Company Limited regarding the possibility of a diversion of the waters of the Columbia river to the Fraser river was received on January 9, 1957.

On December 4 the hon. member for Montmagny-L'Islet inquired whether the answer given related to a preliminary report of British Columbia Engineering. I undertook, as Acting Minister of Northern Affairs and National Resources, to look into the matter and provide my hon. friend with a reply. I can now confirm the statement made by my colleague on December 3, namely that the final report of the British Columbia Engineering Company on a possible diversion from the Columbia to the Fraser river was received on January 9, 1957.

Hon. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, as a supplementary question I would like to ask the minister if it is not a fact that the report that was received at that time from the British Columbia Engineering Company Limited was in its true sense a preliminary report and an initial draft? It may have since become final, but at that time it was a preliminary report, and I would like to ask when it was decided that this report was the final report.

Mr. Harkness: Mr. Speaker, I think the hon. member's memory of this matter has perhaps grown a little blunt.

Mr. Lesage: Oh, no.

Mr. Harkness: I think the hon. gentleman is somewhat confused, judging from the information I have been able to secure from the department in regard to the various reports which were submitted. As a matter of fact I find that the preliminary report of the British Columbia Engineering Company Limited was submitted some time previous to this date and then their final report was submitted, as indicated by the Minister of Northern Affairs and National Resources, on January 9.

Mr. Lesage: Mr. Speaker, I will send a copy of the preliminary report to the minister.

Mr. Gauthier (Portneuf): He has a better memory than you have.

[*Later:*]

Mr. Lesage: Mr. Speaker, I have just sent the Acting Minister of Northern Affairs and National Resources a copy of the report we were discussing a few moments ago. It is dated January, 1957. Is he satisfied with my memory now? Is he satisfied that this is the initial draft of a preliminary report that was received in January, 1957?

Mr. Harkness: No, Mr. Speaker, I am not at all satisfied.

Mr. Lesage: Well, you cannot read.

Mr. Harkness: This is a different report altogether. Apparently there have been two reports. The report to which the Minister of Northern Affairs and National Resources referred and the one to which I referred in the statement I made a little while ago was the final report made to the hon. member, who was then minister of northern affairs and national resources, on January 9, 1957. This initial draft, as it is called, apparently was transmitted to him on January 8, 1957.

Mr. Lesage: And received on the 9th.

Mr. Harkness: —and is a different report altogether. In other words he has been confused about the two reports, as he ordinarily is. Apparently he has both reports in his mind combined into one.

Mr. Lesage: Mr. Speaker—

Mr. Speaker: I think the hon. members had better settle this matter outside the house.

Mr. Lesage: No, Mr. Speaker. If I may be allowed just one word, I do not want to discuss the matter any more—

Some hon. Members: Order.

Mr. Lesage: What I asked for was the report on the diversion of the waters of the Columbia river to the Fraser river. This is the preliminary report on that matter.

Some hon. Members: Order.

Mr. Harkness: So there will be no doubt in anyone's mind that what I have said is correct and the hon. minister is confused—

Some hon. Members: Oh, oh.

Mr. Chevrier: You are more confused.

An hon. Member: You are on the wrong side of the house.

Mr. Harkness: This report, Mr. Speaker, does not mention diversion at all. It is a preliminary report entitled "Proposals for the hydroelectric development of the Columbia river system in Canada".

Mr. Lesage: In Canada, by diversion.

Mr. Harkness: The other report, and the report on which he asked a question of the Minister of Northern Affairs and National Resources, was a report on the diversion of the waters of the Columbia to the Fraser, and that was the report with regard to which he received an answer.

Hon. James Sinclair (Coast-Capilano): I wonder if I might ask a supplementary question of the Acting Minister of Northern Affairs and National Resources, who kindly sent this report across to me. I wonder whether he has read page 2 which starts off as follows: "Proposed diversion of the Columbia, into the Thompson and Fraser rivers".

Mr. Lesage: There is nothing else but diversion mentioned in that report.

EXTERNAL AFFAIRS

ALLEGED BREAKING OF CANADIAN DIPLOMATIC CODE BY VENEZUELA

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. My question is based on press reports in the Toronto *Globe and Mail* and also in the New York *Times* to the effect that there is a report from Chile that the security police of Venezuela have broken the Canadian diplomatic code. Can the minister say whether that code has in fact been broken? If so, what has been done about it?

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, all we know in the department at the moment is what we have gleaned from the press reports. On Friday we requested our ambassadors in Chile and Venezuela to report on the matter. We have not as yet received their reports. In order to get to the bottom of this matter we have taken other steps which I prefer not to disclose. We have taken other steps to ascertain what are the facts of the case.

CANADIAN NATIONAL STEAMSHIPS

RETURN OF VESSELS TRANSFERRED TO FOREIGN REGISTRY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Minister of Transport. May I ask him whether the government is giving consideration at the present time to the return of the flag of Canadian National Steamships from Trinidad to Canada?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I have had no indication of any such intention by the management of Canadian National (West Indies) Steamships.

Mr. Chevrier: May I ask a supplementary question. Can the minister not make a statement on the present position, in view of the fact that when he made his last statement in the house on November 11 he indicated that the purpose of the transfer from Canada to Trinidad was to enable a settlement of the strike to be reached? Since that has not been obtained within the last three and one half to four weeks, can the minister bring us up to date on what is happening in that respect?

Mr. Hees: Mr. Speaker, when I made my statement on that day the hon. member for Laurier will remember I said that the transfer of the flag was made in order to have the service restored, and I think I can add nothing more to what I said then about this case. When I answered the suggestion that the railways and shipping committee should be convened for the purpose of examining into the circumstances resulting in the transfer of Canadian National (West Indies) Steamships vessels to Trinidad registry I said, as reported at page 1563 of *Hansard*:

> The management of the Canadian National (West Indies) Steamships advise me that they are engaged at the present time in a thorough examination into all the implications of the restoration of the service.

Hon. George C. Marler (St. Antoine-Westmount): May I ask a supplementary question. When the transfer of the vessels to Trinidad registry was effected was there an understanding between the government of Canada and the authorities in Trinidad that at the request of the Canadian government these ships would be returned to Canadian registry, in the same way that is provided for under what is generally referred to as the transfer plan with the United Kingdom?

Mr. Hees: Yes, that is my understanding.

Mr. H. W. Herridge (Kootenay West): May I ask a supplementary question of the Minister of Labour. Can he give birth to any further information on this question?

Hon. Michael Starr (Minister of Labour): No, Mr. Speaker.

[*Later:*]

Mr. Marler: May I ask a further supplementary question of the Minister of Transport. In reply to my question with regard to the transfer of the Canadian National (West Indies) Steamships vessels to Trinidad registry he indicated that an understanding had been reached by which these vessels could be recalled to Canadian registry. Would the minister be good enough to tell us with whom those arrangements were made, whether it was by means of an exchange of notes or in what other manner?

Mr. Hees: Mr. Speaker, the chairman of the maritime commission spoke to me about this matter, and I have advised the management of Canadian National (West Indies) Steamships of what the chairman of the maritime commission told me.

Mr. Marler: Will the minister perhaps make a more comprehensive statement giving us the facts, rather than merely reporting his conversation with the chairman of the maritime commission?

Mr. Hees: I will check into this matter, Mr. Speaker.

BROADCASTING

MONTREAL—SPOT ADVERTISING RATES CHARGED BY LOCAL STATIONS

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I should like to direct a question to the Minister of National Revenue. I sent him a copy of the news clipping upon which the question is based. Has the minister received representations, by letter or otherwise, protesting that the rate charged for one minute spot advertisements by radio station CBM, a C.B.C. Montreal station, is far below that charged by competing private stations? If so, what does his department intend to do about it?

Hon. G. C. Nowlan (Minister of National Revenue): To the best of my knowledge I have received no such letter. It may have come in yesterday, when I was not down at the other office. If I receive such a letter I will, as always, refer it to the Canadian Broadcasting Corporation, which will take such action on the matter as it sees fit.

IMMIGRATION

STATEMENT ON REPORTED FAILURE TO PROVIDE ASSISTANCE TO REFUGEES

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): Yesterday the hon. member for Winnipeg North Centre asked me a question reported at page 1825 of *Hansard*, with regard to a press story about non-payment of accounts for rental accommodation of refugees in Calgary. I now have available a preliminary report on the situation.

I am advised by our Calgary office that they do not have any outstanding rental accounts in which the church named in the article is involved, nor has this church approached the Calgary office for payment.

With regard to the family which was mentioned in the article as having suffered, I am advised that this family have made numerous requests for assistance. The head of the family is presently employed, earning $45 a week. Because of the numerous requests a member of the Catholic counselling service was asked to investigate. He reported, in effect, that the financial difficulties of this family are somewhat of their own making. They have been purchasing items such as a television set and a record player, and they also own a second hand Austin car. It was recommended by the investigator that they be given no further assistance from our department.

There was only one rental account for this family in March of this year, and it was brought about because they were living with another family and broke up their living quarters because of family problems. When this family sought new quarters we were asked to pay for their rental. However, no bill for this has ever been received. I think the hon. member will probably agree that under the circumstances reported there is not any very urgent necessity for us to intervene in connection with that particular family.

With regard to the other 20 accounts outstanding which are mentioned in the article, a full report is expected from the assistant district superintendent in Winnipeg.

Inquiries of the Ministry

SHIPPING

ST. LAWRENCE RIVER—EFFECT OF LONGER SEASON ON MARITIME PORTS

On the orders of the day:

Mr. A. W. Stuart (Charlotte): I should like to direct a question to the Minister of Transport. Will the longer season for shipping on the St. Lawrence river, which is supported by the minister, be harmful or otherwise to the ports of Saint John and Halifax?

Hon. George H. Hees (Minister of Transport): I would think the hon. member, being a maritime member, would perhaps be in a better position to answer that question than I am.

Mr. Stuart (Charlotte): I did not intend to answer the question myself, Mr. Speaker, and I should like to have an answer from the Minister of Transport if possible.

Mr. Hees: I cannot see that it would.

PUBLIC BUILDINGS

WINDSOR—INQUIRY AS TO PROGRESS OF NEW POST OFFICE

On the orders of the day:

Mr. D. F. Brown (Essex West): May I direct a question to the Minister of Public Works. Since the filing of additional supplementary estimates by this government was made in October of this year, which is a matter of record, will the minister now tell us why an item for construction of the new post office in Windsor as contemplated by the previous government was not included?

Hon. Howard C. Green (Minister of Public Works): I think the supplementary estimates were filed before this question arose. Perhaps it would be more to the point if the hon. member for Essex West could tell us why his own government did not do something about it earlier.

Mr. Sinclair: Do you want help?

Mr. Brown (Essex West): Since I have been invited to make a statement on this matter—

Mr. Speaker: I must rule the question out of order. I invite the hon. member to resume his seat. This is not a matter which is his responsibility, and it is irregular to ask questions of the members of the house unless it is a matter of their own responsibility.

Mr. Sinclair: It is evasion of responsibility.

Mr. Brown (Essex West): Then may I ask the minister to withdraw his invitation?

VETERANS AFFAIRS

STATEMENT ON ADMISSION OF NEEDY EX-SERVICEMEN TO DEPARTMENTAL HOSPITALS

On the orders of the day:

Hon. A. J. Brooks (Minister of Veterans Affairs): I should like to reply to a question which was asked me yesterday by the hon. member for Kootenay West (Mr. Herridge). His question was:

> Has the minister received letters from veterans, including one named Brooks, complaining of the fact that while immigrants and in some cases United States personnel are admitted to Shaughnessy hospital, certain veterans are denied admission?
>
> Can the minister assure the house that no needy veterans requiring treatment will be denied admission to departmental hospitals?

The answer to the first part of the question is that I have received a letter from Mr. David Brooks requesting that the means test be removed from the operation of section 13 of the veterans treatment regulations. I have not received letters from veterans complaining about being denied admission to Shaughnessy hospital.

The answer to the second part of the question is that I can assure the house that no veteran who is eligible under any section of the veterans treatment regulations and who does require treatment is ever denied admission to departmental hospitals.

Mr. H. W. Herridge (Kootenay West): I have a supplementary question. Would the minister inform the house why it is that those who are not eligible for admission are referred by his own officials to the provincial authorities to be taken care of?

Mr. Brooks: I do not know of any such cases. The hon. member has spoken about those who had not the means. I might say that under the veterans treatment regulations as they are at present, any eligible veteran whose income is below $960—and that is an adjusted income; exemptions are made for wife and children which are taken off the true income and he is admitted under the adjusted income—he can have free hospitalization. For adjusted annual incomes from $960 to $1,000 the maximum charge is $20 for twelve months; he does not have to pay any more. From $1,000 to $1,100 it is $33.

I am not going to read the complete list. I point this out to show that the charge is adjusted according to the income of the veteran, and our information is that these veterans with low incomes are not denied hospitalization. We have received no complaints in this connection except from the hon. member.

AIR TRANSPORT

CANADIAN PACIFIC AIRLINES—APPLICATION TO FLY MONTREAL-VANCOUVER ROUTE

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, may I ask the Minister of Transport if he has anything to report in regard to the application of Canadian Pacific Airlines for an air service from here to the west coast?

Hon. George H. Hees (Minister of Transport): No, Mr. Speaker.

PRIVILEGE

MR. HAHN—ALLEGED DENIAL OF OPPORTUNITY TO SEE REPORT ON WATER DIVERSION

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I rise on a question of privilege, arising out of discussions between the Acting Minister of Northern Affairs and National Resources (Mr. Harkness) and the hon. member for Montmagny-L'Islet (Mr. Lesage).

As I understand it, there seems to be some difficulty in determining the nature of a particular report referred to, and the Acting Minister of Northern Affairs and National Resources has denied this house the privilege of seeing such report, while the hon. member has been relying upon his memory, as I follow the situation. However, someone else has a copy of that report. My question of privilege is this. Should not this house, if there is such a copy in the hands of another member other than a member of the government, be privileged to have the report tabled at this time?

Hon. D. S. Harkness (Acting Minister of Northern Affairs and National Resources): I think perhaps I should say something in regard to the matter. The hon. member for Montmagny-L'Islet received this report in his capacity as a minister of the crown.

Mr. Lesage: It is a copy.

Mr. Harkness: The report belongs to the government of Canada, and I think there is a grave question as to whether or not he should have retained possession of this report.

Some hon. Members: Oh, oh.

Mr. Harkness: I do not know how many other reports, received by him as a minister of the crown, have been retained in his possession.

Mr. Lesage: It is a copy.

Mr. Speaker: Order. I think the hon. minister in his last remarks is going beyond what would be permitted.

Some hon. Members: Hear, hear.

Mr. Speaker: If he has a motion to make based on the retention of the report I would entertain it now, but otherwise—

Hon. James Sinclair (Coast-Capilano): At this point, Mr. Speaker, I think I should say a word or two. The minister just sent across to me that copy; therefore the report can no longer be secret, since he has made it available to another member of this house.

Mr. Fleming: That is not the point.

Mr. Harkness: That is absolutely incorrect, Mr. Speaker. This report was sent over to me by the hon. member for Montmagny-L'Islet; I looked at it and identified what particular report it was, and then called a messenger. I gave it to the messenger and said, "Take this back to Mr. Lesage".

Mr. Sinclair: Take it back again, then.

Mr. Hahn: To pursue further my question of privilege, which seems to have got lost in the shuffle some place, there appear to be two documents in this place at the present time and I think the house has the right to see at least one of them, namely the one which the hon. member for Montmagny-L'Islet has placed in the possession of the Department of Northern Affairs and National Resources.

Mr. Speaker: I do not consider that a question of privilege. The hon. member will appreciate that it is not the right of the house to see these documents which have been the subject of discussion in this house. It seems to me to be a case of identity or of mistaken identity. I have asked the house not to pursue the matter further, and I think hon. members, if there are still any differences between them, might confer outside and then bring the matter back if they see fit.

Mr. Hahn: Possibly my question of privilege has been misunderstood. As it is, there is a document in this house which is being bandied back and forth between the hon. member for Montmagny-L'Islet and the Minister of Agriculture. Other hon. members in the house, including myself, would like to see this document, which is apparently one which the Department of Northern Affairs and National Resources has on file. I ask that it be tabled.

Mr. Speaker: That is quite a different matter. If it were tabled it would be a matter of privilege for the house to see it. But it has not been tabled, and I am sure there is no such right as the hon. member is endeavouring to assert. He is asking the question now whether the document will be tabled, though he has not directed it to any minister—

Inquiries of the Ministry

Mr. Hahn: I would ask the Minister of Agriculture, who has seen the document, whether, if the Department of Northern Affairs and National Resources has this document, he would see to it that it is tabled.

Mr. Coldwell: Is it not a fact that when a minister refers to a document in the house he must table it?

Mr. Speaker: I think the hon. member for Rosetown-Biggar is mistaken about that. I think he might be asked to table it, and perhaps the minister would have no ground for refusing to table it unless it were a document involving security or something of a confidential nature. But the question has now been asked of the Minister of Agriculture whether he will table this document.

Mr. Harkness: Mr. Speaker, the Minister of Northern Affairs and National Resources dealt with this question when it came up on December 3, and he stated at that time that the final report, of which this particular document was only the initial or preliminary draft, had been received only on December 2; that it required considerable study before any decision was made with regard to tabling it or doing anything else along that line and, naturally, as the final report concerning this particular matter has just come in, there would be no good purpose served by tabling this document. I do not think it would be in the public interest to table a document which was a preliminary report and incomplete.

I will only say further, in connection with this particular document, that I did not introduce it into the house. It was introduced by the hon. member for Montmagny-L'Islet. I did not quote from it and, therefore, I do not think the point made by the hon. member for Rosetown-Biggar has anything to do with the matter.

As a matter of fact, now that this document has been sent over to me, I think before I return it to the hon. member I will have to have the matter considered by my colleagues, because I consider that this is the property of the government of Canada and should never have been in the hon. member's hands at all.

Mr. Lesage: Mr. Speaker, this is a copy of a report which I received in my capacity as minister of northern affairs and national resources.

Mr. Churchill: You should have left it there.

Mr. Lesage: This is a copy of a report on which I had to take action, and I did. Therefore I kept a copy, and it seems to me that as a former member of the cabinet I am entitled to keep a copy of a document which would justify the action I had to take in my capacity as minister.

Mr. Churchill: You are on the spot.

An hon. Member: The government is on the spot.

Mr. Hahn: Apparently the document is one which should be in the hands of the government. In the circumstances I would ask that it be tabled, in view of the fact that some hon. members have had access to it and we have been denied that privilege.

Mr. Speaker: The hon. member has already asked that the document be tabled, and he has had his answer. I consider that matter closed.

PUBLIC WORKS

OTTAWA AND GATINEAU RIVERS—REQUEST FOR PROTECTION WALLS

On the orders of the day:

Mr. Alexis Caron (Hull): Mr. Speaker, may I direct a question to the hon. the Minister of Public Works. Has the minister taken advantage of the federal-provincial conference to discuss with the premier of Quebec as to which government is responsible for protection walls along the Ottawa and Gatineau rivers?

Hon. Howard C. Green (Minister of Public Works): I was not representing the federal government at the dominion-provincial conference, and I had no conversation with the premier of Quebec at all.

Mr. Caron: May I ask the minister a supplementary question. Is it the intention of the minister to discuss the matter with the Quebec authorities who claim it is a federal responsibility?

Mr. Green: Mr. Speaker, I explained the situation to the hon. member the other day. I told him that the federal government was willing to co-operate but that it would have to be a three-way transaction between the provinces, essentially, and the federal government.

Mr. Caron: Then may I ask a further supplementary question. The answer was given about the bridge, but this is the protection walls along the Ottawa river and the Gatineau river. Would you like me to repeat my question? Is it the intention of the minister to discuss with the Quebec authorities the matter of the protection walls, because the Quebec authorities claim it is a federal responsibility?

Mr. Green: The federal government accepts responsibility for walls or other protection work where damage is caused by navigation. I have also explained that to the hon. member on several occasions. It is not our responsibility to discuss with the government of the province of Quebec or with any other government work which is not our responsibility.

Mr. Caron: Then may I ask the minister a supplementary question. Would the minister submit the question to the supreme court to have a ruling as to which government has the responsibility for destruction caused by navigable waters, even not very much navigated?

Mr. Green: No, Mr. Speaker.

HOUSE OF COMMONS

POSTAL UNION—EMPLOYMENT OF TRANSLATORS FOR SIMULTANEOUS TRANSLATION

On the orders of the day:

Mr. Yves Leduc (Verdun): Mr. Speaker, on November 25, as reported in *Hansard* at page 1473, I asked the following question:

When the international postal convention took place in this house last summer, did the authorities responsible for the organization of the simultaneous translation system hire translators from Canada only, or also from elsewhere for translation from French to English and from English to French? How much did the temporary system cost the government?

Would the minister tell me when it will be possible to answer my question and, when he is ready to do so, will he also tell me how many Canadian translators were hired and how many translators other than Canadians were used?

Hon. W. M. Hamilton (Postmaster General): In the first instance, hon. members looking up the reference will find that the question was raised in the course of a debate on a simultaneous translation system, a debate in the course of which I had already made a statement before the question was asked, and in which therefore I could not speak again. If the government adopted the attitude that it was going to answer on the orders of the day all questions raised in debate—

Mr. Speaker: Order. May I say that if that is the quotation which the hon. member put to the minister it is out of order to resume now the discussion of a matter which has been disposed of by this house. Was the hon. member reading from the debate on this matter as reported in *Hansard?*

Mr. Leduc (Verdun): Yes.

Mr. Speaker: Then I would ask the hon. member to drop it.

Inquiries of the Ministry

ROYAL CANADIAN MOUNTED POLICE

GUARD PATROL AT PRIME MINISTER'S RESIDENCE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to address a question to the Prime Minister. I apologize for not having sent him notice, but I am sure he will not require time to prepare an answer. Is it true that guards have been detailed to patrol the gates leading to the Prime Minister's residence in Ottawa and, if so, is this part of the Prime Minister's solution to the current rise in unemployment?

Right Hon. J. G. Diefenbaker (Prime Minister): The answer to the first part of the question is in the negative, and the second part, being facetious, requires no answer. There has, however, been a change to this extent, that instead of having one organization looking after the home, as was the case during the days of the present Leader of the Opposition, there are today two police officers made available for duty throughout the day and at appropriate hours. It is simply a matter of a change of arrangement to suit convenience.

Mr. Gauthier (Portneuf): Are you scared?

Mr. Diefenbaker: The hon. member is the last person who should ask that question.

Mr. Coldwell: May I ask the Prime Minister if they are city police or Royal Canadian Mounted Police?

Mr. Diefenbaker: Royal Canadian Mounted Police. They have been available at all times at Government House, across the way. As a matter of fact, the change was made for convenience.

INQUIRY FOR RETURN

ELECTRICAL ENERGY DEVELOPMENT, N.B.-N.S.

On the orders of the day:

Hon. D. S. Harkness (Acting Minister of Northern Affairs and National Resources): Mr. Speaker, yesterday the hon. member for Gloucester made an inquiry as to when he might expect a certain return to be made. I regret the delay in tabling the correspondence and other documents called for by address No. 17 which was passed by the house as an order for return on November 8.

This return requested by the hon. member covers correspondence between federal departments and agencies and the governments of New Brunswick and Nova Scotia and their respective power commissions. A good deal of material is involved in the return, and it has been necessary to check

the files of a number of federal departments and agencies. This process is almost finished, and it is expected that within two or three days the Secretary of State will have on hand a complete set of material for tabling. It will then be necessary, however, for the Secretary of State to obtain clearance from the two provincial governments concerned before tabling can take place. Everything possible will be done to bring forward the return at the earliest date.

INCOME TAX

INQUIRY REGARDING DEDUCTIBILITY OF MEDICAL EXPENSES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. Have we reached that particular time in the session, to which the minister referred on October 22, when we might expect an announcement from the Minister of Finance regarding the deductibility of all medical expenses for income tax purposes, along the lines supported by the Minister of Finance in the more halcyon days when he was on the opposition side of the house?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I think I must refer my hon. friend to what I said in the house on Tuesday last.

Mr. Knowles (Winnipeg North Centre): May I ask a supplementary question, Mr. Speaker. Does that answer mean we may expect a statement on this matter tomorrow?

Mr. Fleming: That answer means that what the Minister of Finance said in the house on Tuesday still stands, and what he said about taking up matters pertaining to the financial policies of the government will be open for consideration when the estimates of the Department of Finance are submitted to the committee of supply.

Mr. Knowles (Winnipeg North Centre): That is tomorrow?

Mr. Fleming: No, that is not tomorrow.

Mr. Chevrier: Will the minister's tone be the same then as now?

Mr. Knowles (Winnipeg North Centre): I am sorry, Mr. Speaker, but isn't this Thursday? May I ask a supplementary question. I was flying during the night and I had forgotten what day it is. Is it not true that the house leader indicated that the estimates of the Department of Finance would be before us on Friday?

[Mr. Harkness.]

Mr. Fleming: I shall take the liberty of directing the attention of my hon. friend to what the leader of the house said last night at ten o'clock, which appears in *Hansard*.

TELEVISION

REQUEST FOR STATEMENT ON POLICY RESPECTING SATELLITE STATIONS

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, may I direct a question to the Minister of National Revenue. I have not given him notice, and he may wish to defer the answer until the next sitting. Is the minister now in a position to make a statement as to what policy, if any, has been decided upon with regard to the establishment of satellite television stations in areas which are not now reached by the national network?

Hon. G. C. Nowlan (Minister of National Revenue): I am not in a position to make a statement about the policy with respect to that matter, Mr. Speaker, but the matter will be dealt with when the supplementary estimates of the department are before the house.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

Defence services—

240. To provide for the Canadian forces, the defence research board and other expenditures relating to defence, including costs incurred in the participation of the Canadian forces in the United Nations emergency force and contributions toward the military costs of the North Atlantic treaty organization; to authorize expenditures in the current year out of the amount hereby provided, not exceeding $130,000,000, under the provisions of section 3 of the Defence Appropriation Act, 1950, and to provide that, notwithstanding subsection (3) of that section, where equipment or supplies are transferred, the estimated present value thereof shall be credited to this vote instead of being paid into the special account mentioned in the said subsection (3), and when so credited may be expended for the purposes of the Canadian forces; and notwithstanding section 30 of the Financial Administration Act to authorize total commitments for the foregoing purposes of $3,338,164,131 regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,521,731,982 will come due for payment in future years), $1,669,450,149.

Hon. G. R. Pearkes (Minister of National Defence): Mr. Chairman, the last time hon. members had an opportunity to discuss defence matters in detail was in June and July of 1956, when the estimates of the Department of National Defence were before the house and approved. Since that time there have been a number of important changes

of a military and strategic nature. As this is a new house in which there are a number of new members it might be helpful if I say something about our defence commitments as they presently exist in the light of these changes.

Before I do so, however, I would like to make reference to my predecessor in this office, the former hon. member for Vancouver Centre. The brief period during which I have been Minister of National Defence has given me an understanding of the problems he had to face. Despite the onerous duties which were his lot Mr. Campney never failed to treat inquiries from me with courtesy, a practice I shall hope to follow. While we were not always satisfied with the replies, he did endeavour to obtain answers to those inquiries as quickly as possible. In the house we may have had differences over the shape of Canada's defence policy, but we were in full agreement as to the need of such a policy. I understand that Mr. Campney has now returned to his law practice in Vancouver, and I am sure all of us here wish him well in his profession.

I would also like to take this opportunity to pay tribute to the senior service officers and the civilian heads of branches in the department. Since assuming office I have received the utmost co-operation and assistance from them all, and I know that without their help and support my job as minister would have been a great deal more difficult to carry out.

Our defence policy is, of course, to provide for the security of Canada. We believe the best way to achieve this aim is through membership in a collective defence organization such as NATO. While our contributions to this organization at present constitute our main defence commitments, we are fully aware of the importance of the United Nations and we will continue to assist the United Nations to attain its objectives in every possible way.

A large number of Canadian servicemen, over 900 in fact, form part of the United Nations emergency force in the Middle East, and we have supplied some 130 personnel of our armed services for the truce commission in Indo-China, the United Nations truce supervisory organization in Palestine and the truce team in Kashmir. Our membership in this NATO regional alliance is in no way contrary to the spirit of the United Nations organization. Article 51 of the charter reads in part:

> Nothing in the present charter shall impair the inherent right of individual or collective self defence.

By forming this unique organization the NATO countries have assisted the United Nations in realizing its aim of preventing any further encroachments by aggressive nations. In an alliance such as NATO collective defence can be achieved along the most economical lines by the partners contributing the kind of forces they can best produce and equip. In this way each partner is not required to have in existence all types and varieties of forces. We can do our share in the alliance by raising, equipping and training the type of force to which we are best suited and which can be supplied in the main from our own Canadian industry.

The primary military aim of NATO is to prevent war. The best way to achieve this aim is to make it clear to any potential enemy that war would be so disastrous that it must not be contemplated. In a future major conflict there will be neither victim nor vanquished, only death and destruction of such magnitude that civilization may well be ended. The essence of the NATO concept is, therefore, the idea of a deterrent. It is important that other countries know that we in NATO have the ability to retaliate immediately following any aggressive act.

The widely dispersed aircraft of the United States strategic air command, together with the V-bombers of the United Kingdom, on account of their great flexibility form a formidable retaliatory force. As General Norstad said recently, it is beyond practical limits to eliminate all our bases simultaneously notwithstanding the advent of the ballistic and other missiles.

In Canada our main contribution to this deterrent is to provide protection both for these retaliatory forces and for the industrial power of the North American continent. To this end we have established the early warning lines and air defence command.

I might say a word about Canada's commitments to NATO in terms of men and material. We have 12 squadrons of interceptor aircraft in Europe, eight of which are equipped with Sabres and four with CF-100's. These squadrons are formed into four wings and are located at Zweibrucken and Soellingen in Germany and Marville and Grostenquin in France with divisional headquarters at Metz. Some 5,800 airmen are employed in flying and servicing these aircraft and in the performance of other duties necessary for the maintenance of the efficiency of the division. These young airmen are on duty every hour of every day 365 days in the year.

Also stationed in Germany at Soest, Hemer and Werl is the Canadian infantry brigade group made up of over 5,000 men, supported

by an armoured regiment equipped with Centurion tanks. The role of this group is to assist in the protection of western Europe by delaying any advance that might be made by enemy ground forces. By having these defensive forces in the field we compel a would-be aggressor to concentrate sufficient forces to overcome our shield, and by building up such a concentration to reveal his aggressive intentions.

Our naval contribution to NATO is not inconsiderable. Forty fighting ships and 50 maritime aircraft are earmarked for the maritime forces of the supreme allied commander, Atlantic. Hon. members will know that since 1951 we have also made available to our allies equipment valued at over $1 billion through the mutual aid program and have undertaken the training of over 5,000 pilots and navigators from member nations of the organization. Only last week ceremonies took place at Sydney, Nova Scotia, at which five Bangor-type coastal escorts were handed over to our NATO ally, Turkey. These will be followed early next year by a further five Bangors and by four bay-class minesweepers. These, then, are some of our direct commitments to NATO.

The North American continent is an integral part of the NATO area, and we are assisting very considerably in its defence. The early warning system, built up over the years, is operated to enable our interceptor aircraft to take the necessary action against the intrusion of manned bomber aircraft. Such bomber aircraft are in operation now, and we believe that such manned aircraft will be in operation for several more years. It is felt that even when the ballistic and other guided missiles come into operation they will complement rather than replace manned bombers and interceptors for some time to come.

I might say that intensive studies are being undertaken by Canadian scientists, working in close collaboration with our allies, to develop defences against such future missiles. At the same time, however, we must be prepared to deal with offensive weapons now in operation, and it is against such weapons that our defences on the North American continent have been built up. Of the three radar lines which work as a unit, Canada operates the "Pinetree" line jointly with the United States. The mid-Canada line was built and is operated wholly by Canada. The D.E.W. line was constructed and is operated by the United States. Backing up these radar lines are nine squadrons of CF-100 aircraft which are on the alert 24 hours every day.

[Mr. Pearkes.]

The air defence systems of this continent have recently been completely integrated by the establishment of a joint headquarters at Colorado Springs, with a United States commander and a Canadian deputy. Of course the effectiveness of such integration has already been demonstrated in Europe, where our forces are under the operational control of General Norstad, the supreme allied commander in Europe; and in the Atlantic where in war our ships and maritime aircraft, earmarked for the NATO naval force, would come under the supreme allied commander, Atlantic, who also has fully integrated headquarters in which Canadian officers are serving. In order to improve the capabilities of the air defence forces of Canada and the United States to support the collective security of NATO and thereby provide a greater deterrent to war, the air defence of North America is now considered as a single problem.

The importance to the NATO alliance of the United States strategic air command, nuclear retaliatory forces, and the industrial capacity of Canada and the United States makes it imperative that the most effective and efficient defence system be provided. Prior to the formation of the North American air defence command there was the closest possible co-operation and liaison between the air defence forces of Canada and the United States. The various agreements reached between the services and approved by the two governments provide for cross-border intercepts whereby the forces of one country can intercept the enemy in the territory of the other. The conditions under which intercepts could take place were clearly defined by the governments of both countries, and consequently United States aircraft operating over Canadian territory are governed by Canadian rules of engagement.

In planning their air defence systems our two countries attempted to achieve the closest possible degree of uniformity. This, however, was not always possible and often unilateral decisions, particularly in long-range planning, resulted in less effective air defence forces and equipment. The realization that duplication in planning and harmful unilateral decisions were sometimes taking place led to a study of ways and means to improve the air defence system.

The Canadian and United States chiefs of staff directed that a study of the problem be undertaken by the joint military study group, comprising senior officials of the three services and scientific agencies of both countries. This group recommended that a more effective air defence system would be achieved by integrating operational control of all air defence

forces under one joint headquarters. Subsequently the governments of Canada and the United States approved this recommendation in principle, and an integrated headquarters called North American air defence command was formed. This joint Canada-United States headquarters, known as NORAD, has been organized on principles that were devised and which operated satisfactorily during world war II for joint and combined commands.

Its responsibilities are as follows. First, in peacetime, it is developing plans and procedures that would be used in war. These plans and procedures are to be agreed to in peacetime and will be ready for immediate use in an emergency. They will be reviewed, amended or improved by the chiefs of staff of both countries, and government approval will be sought before any plans are implemented. It will be responsible for the general pattern of training and the general supervision of practice exercises in order to ensure the readiness of the forces and facilities in time of emergency.

Second, in time of war it will be responsible for the direction of the air defence operations in accordance with the plans and procedures which have been agreed upon in peacetime. As the agreed plans and procedures have been worked out in peacetime, there will be little that the NORAD commanders will be able to do in the first few hours of war except to reinforce the most threatened areas with whatever additional fighter aircraft and missiles become available after the battle is opened. These in the main will be United States forces, as Canada does not maintain immediately ready reserves.

The officer appointed to fill the position of commander in chief, North American air defence, was made responsible to the governments of both countries for the air defence of North America, and to report directly to the United States joint chiefs of staff and the Canadian chiefs of staff committee. All plans for the deployment and employment of air defence forces must be approved by the chiefs of staff and, when necessary, by the governments of both countries.

The terms of reference which outline the responsibilities of the commander in chief of NORAD and the organization required to exercise operational control are under study at the present time and will be approved before a formal agreement between the two governments is finalized. Until the agreement is formalized, NORAD is operating on an interim arrangement whereby a small staff of R.C.A.F. officers headed by Air Marshal Slemon are working on the preparation of the terms of reference and the organization required for NORAD. The air officer commanding the R.C.A.F. air defence command at St. Hubert will continue to control all air defence operations over Canada.

The control of air defence over Canada depends in the first place on a requirement that all aircraft flying in Canadian air space must file a flight plan. The air defence authorities keep track of these flight plans, and by this method they are able to plot the movements of all aircraft flights in and out of and over Canada.

If the flight of an aircraft which does not coincide with a filed flight plan is picked up by any of the radar systems an investigation is immediately undertaken. If there are several aircraft this would, of course, be a serious matter and checks are immediately made with the United States strategic air force and other agencies operating large numbers of aircraft. The air defence system would automatically increase its state of readiness.

As soon as an unknown aircraft came within the range of our interceptor aircraft, investigation would be made in the air by these interceptors to ascertain the nature of the unknown aircraft. While this was going on Canadian and United States military authorities would be in contact so that the appropriate joint action could be taken if necessary. The air defence commanders would seek confirmation that these aircraft were in fact unscheduled flights. Other authorities would be giving consideration to the type of action to be taken by other forces and agencies. This would include, among other things, alerting the civil defence organization and ordering ships to sea.

I would point out to hon. members that the whole of this procedure is carried out in a matter of minutes. While these decisions are being taken the previously approved course of action by the air defence forces is under way. This is based on the rules of engagement which were approved by the government in December, 1951, and which define the powers and responsibilities of the air defence commander.

His powers are as follows. First, he may authorize the interception of aircraft in order to establish identification if other methods of obtaining identification have failed. Second, if the aircraft is identified as hostile by its appearance or because it perpetrates a hostile act or if its patent behaviour is sufficiently suspicious to justify a belief that it has hostile intentions, the air defence commander may authorize its engagement by fighters or other means. Third, if the aircraft

cannot be identified by any means whatever the air defence commander may, if circumstances warrant, authorize action to force the aircraft to land or engage it with fighters or other means.

These are the rules under which the R.C.A.F. air defence command has been operating since 1951, and it is these rules which will govern the activities of the air defence forces controlled by the commander in chief, North American air defence command. These rules are Canadian government policy; therefore the North American air defence command will be operating within approved government policy. Every country has established conditions and regulations similar to our rules of engagement under which aircraft can enter their air space. Such rules deal with aircraft which do not adhere to conditions of entry.

If military aircraft which are manifestly hostile in intent do enter Canadian territory without permission, an act of aggression has been committed against Canada and the use of force to deny these aircraft further passage over this country is an exercise of Canadian sovereignty and is not in itself an act which commits this country to war. Only the Canadian government can commit this country to war. Every precaution has been taken and will continue to be taken to ensure that the Canadian government is consulted before any act is undertaken which would commit this country to war.

The interception and destruction of enemy bombers over Canadian territory could not be construed as the initiation of aggression, because the presence of enemy bombers is in itself an act of aggression and consequently the air defence command is taking only protective measures. The interception and forcing down of aircraft which are invading our air space without permission, or destroying them when hostile intent is shown, is a national responsibility in the exercise of our sovereignty. Consequently the exercise of this authority under government approved procedures can safely be delegated to NORAD without fear that any defensive action taken would in itself initiate war. When the terms of reference and operating procedures for NORAD have been approved by both governments, the resulting exchange of notes will be tabled in this house.

I wish to consider now some other aspects of our defence planning and point out the part our regular and reserve forces are presently playing and will play in the future. To be effective the deterrent philosophy cannot depend on our retaliatory forces alone. It is as important that we should indicate to any would be aggressor that if necessary we are prepared to fight on land, sea and in the air. If we do not indicate that we are prepared to fight should the deterrent fail, then this philosophy of the deterrent will also fail.

What kind of war must we be prepared to fight? With the introduction of nuclear weapons and the anticipated production of long-range ballistic missiles, it is obvious that the methods of waging any future war have clearly changed from those of world war II. Looking into the future is at best a risky business, but our military advisers must plan ahead, and it is their present opinion that a third world war would commence with a sudden ferocious thermonuclear attack of great intensity from several directions, by various means. Little or no warning could be expected; but this initial period, when the fight for survival would be paramount, is likely to decide the eventual outcome of the struggle. Therefore it is important at this stage that the forces required are trained, equipped and in position. There will be no time for mobilization or reinforcement because of the conditions expected to prevail in the first few days of a nuclear war.

It is considered that shipping and port facilities will not be available to dispatch large bodies of men and equipment to Europe in time to participate in the first phase of a war. Our dependence on forces in being therefore must be adhered to, and that is why we must continue to give top priority to our regular navy, army and air force. Only if we survive that initial stage of hostilities will it be possible to carry out additional military activities and, if necessary, raise and train additional forces.

With this in mind we must continually review our defence commitments and examine the means we have available to meet them within the limits of our economy. Defence costs now account for about one-third of the total federal budget, and there are those who may consider that reductions should be made. I will refer to those reductions later. By the elimination of overhead and duplication some money can be saved, but the fact remains that if we are to continue to play our part in the defence alliance we must see to it that our forces are equipped with modern weapons. These weapons, on account of their increasing complexity, are becoming more and more costly. I feel that in the world as it is today it would be folly to follow any other course than that we are now pursuing.

The Acting Chairman (Mr. McPhillips): Order. I am sorry to interrupt the minister, but I must inform him that his time has expired.

Mr. Coldwell: Could he go on?

The Acting Chairman (Mr. McPhillips): Has the minister the consent of the committee to continue?

Some hon. Members: Agreed.

Mr. Pearkes: The knowledge that the Russians have a considerable number of long-range submarines perhaps capable of launching missiles far from our shores at targets well inland emphasizes the importance of the anti-submarine role of our navy, and presents new and serious problems. Fixed wing aircraft, helicopters and ships all have a part to play in detecting and destroying these submarines. Squadrons of the Tracker—a naval anti-submarine aircraft—are based on our new aircraft carrier *Bonaventure*. Seven of our new destroyer escorts are in commission, and another seven of the improved Restigouche class are nearing completion. Authority has also recently been given for the construction of two more of these outstanding ships.

Because the initiative will always rest with the enemy, it will be necessary for the navy to be operationally ready before any war begins, and to be in a position to deal with any submarine which might attempt to get within range of our Canadian ports. In this anti-submarine role our navy receives and works in close collaboration with the R.C.A.F. maritime command. As the Canadian built Argus aircraft comes into operation in this command the effectiveness of our seaboard defences will increase, and we are looking to the day when our naval and air force authorities will be able to keep track of and deal with all sea traffic above and below water in the same way that the air force keeps track of every aircraft in the sky over North America now.

If the R.C.A.F. is to continue to carry out its task efficiently it will have to improve its equipment constantly to cope with new aircraft flying at higher altitudes and at ever increasing speeds. That is why we are continuing the development of the CF-105, and that is why steps are being taken to evolve improved methods of processing information obtained through our warning systems, a complicated and very expensive proposition.

It is obvious—and this is indicated by changes taking place in the composition of the armies of the United Kingdom and the United States—that in an atomic age the Canadian regular army must strive for increased mobility and additional firepower. The strength of the regular army today is just under 49,000. We have in Europe the 4th Canadian infantry brigade group, to which I have already referred. In Canada we have sufficient units to form three additional brigade groups, and it is our intention during the coming year to group these units so there will be a balanced brigade in western Canada, another brigade in central Canada, and a third in Quebec and the Atlantic provinces.

Each of these brigade groups will be commanded by a brigadier with an operational brigade staff. Each group will concentrate for summer training in Wainwright camp, in Petawawa or the Camp Borden-Meaford area, and at Gagetown. One battalion of each of these three brigade groups will have a parachute element and will be air-portable. The development of the Cariboo cargo aircraft by the deHavilland Company is proceeding satisfactorily, and steps are being taken to increase further our air transport capabilities.

The divisional headquarters as now organized will be reduced to nil strength during the next few months. Some divisional units will be retained, and the equipment for the headquarters will be kept available. The technique of command and administration will continue to be practised by general officers and their staffs so that if, at any future time, two or more of the brigade groups are operating together, personnel and equipment will be available to organize and operate a tactical divisional headquarters.

The launching of earth satellites and the reported successful firing of an intercontinental ballistic missile emphasize the need for the nations of the free world to collaborate in matters of defence, and point up the urgency of the pooling of scientific knowledge. Officials of the defence research board have for many years maintained close liaison with their opposite numbers in the United Kingdom and the United States. These fruitful discussions are now being intensified.

A major research contribution in support of the defence against the ICBM can be made by Canada in the field of radio propagation, particularly with reference to the auroral zone. This is being undertaken jointly with the United States air force at the Prince Albert radar site which is now in the course of construction.

Other programs now being undertaken by the defence research board are aimed at problems in the missile field, particularly with respect to ballistic detection; at means for countering submarines; at many phases of electronics in defence and at operational research studies designed to indicate the most economical means for obtaining maximum effectiveness from present and proposed weapons systems.

The submarine threat is considered to be a grave one, and work in conjunction with the United States navy and the royal navy on improved anti-submarine detection devices is in progress. Projects are being undertaken with the objective of extending detection ranges and increasing the speed at which searches for submarines can be carried out. Studies of nuclear propulsion for ships are to be undertaken in conjunction with the royal navy, and a Canadian team of scientists and naval officers will proceed to the United Kingdom for this purpose early next year.

Our reliance on forces in being, to which I have already referred, will of necessity require some changes in the role of our reserve forces. The role of the naval reserve will remain the reinforcement of the fleet in being in time of emergency. Reserve personnel will also replace regular personnel ashore and will also be required to bring our ships up to war complement. Steps are being taken to ensure that the members of the Royal Canadian Naval Reserve will be immediately available and adequately trained for these duties. This rationalization will result in some reduction in present strength, because we are placing emphasis on quality rather than quantity.

Over the years the R.C.A.F. auxiliary squadrons have been an important element in our defence establishment. The first R.C.A.F. squadron to serve overseas in the second world war was an auxiliary squadron. The first fighter squadron was made up of 110 squadron from Toronto and 112 squadron from Winnipeg. These squadrons are celebrating their 25th anniversary this year. Apart from the squadrons which saw service overseas, the auxiliary air force provided a large number of the trained personnel required to supervise and direct the activities of our expanding wartime air force. Since the war the auxiliary has continued to play an important role in the defence organization, and has assumed new tasks as and when required.

The changing tempo and technology of war have dictated an alteration in the role and employment of flying squadrons of our auxiliary air force. A careful reassessment of their role when viewed in the light of long-term requirements leads to an adjustment of effort which will enable the squadrons to contribute to the relief of civil emergency requirements in peace or war.

It has already been announced that certain squadrons are being equipped with light transport aircraft, and thus the first move was made toward the ultimate requirements for squadrons to be employed in an emergency and rescue role. There will continue to be a gradual change in other flying squadrons in the direction of this ultimate aim. As a step toward this goal, early next year the light bomber squadrons at Saskatoon and Edmonton will convert to this new role.

Also constituting a large portion of the R.C.A.F. auxiliary activities are the aircraft control and warning units. These units continue to play an important part and represent a readily available reserve of trained personnel for the support of the radar control stations in Canada. In this they are making a significant contribution to the air defence of this country.

Finally, the auxiliary technical training units which train technical personnel in support of the flying squadrons and the aircraft control and warning units will be adjusted in size in response to the gradual change proposed for the operational units which they support.

In so far as the militia are concerned, they have a long and brilliant record of achievement. Originally organized for the protection of the homes and lives of the very earliest settlers in this country, the members of the militia during the 18th and 19th centuries on many occasions, alone or in conjunction with British regulars, would indeed drive out the invader and give security to this country.

In 1914 and again in 1939, when our regular forces were very few in number, it was upon the units of the militia that we built our divisions for service overseas. Those who went overseas were in fact defending their homes and families, just as their forebears had done a century or more before; the same duties done and the same tasks performed, but some thousands of miles away.

Almost 20 years have passed since the outbreak of the second world war. Since then we have adopted a policy of having a large and efficient regular army of some 49,000 officers and men compared with approximately 4,000 in 1939. For the first time in history a potential aggressor, armed with new and modern weapons, including long-range air carriers, can make this continent a target for direct attack.

If, in spite of all our efforts, we are drawn into a major conflict, one of the first and vital battles may well be for survival within our own boundaries. The situation will be quite different from that which existed in 1914 and in 1939, when we had many months to mobilize and complete the training of tens of thousands of militiamen.

We anticipate two types of battle in which ground forces will be engaged. One battle

will be the direct contact with enemy ground forces in Europe, and will be fought by forces in being and in position. The other battle will be in this country, to assist in restoring order out of the terrible chaos that may result from enemy attacks with long range nuclear weapons. It is in this latter important battle that the militia as well as the regular and the civil defence organization will be needed.

The members of the militia must continue, however, to receive military training and retain a military organization, because it is this training and organization that make the militia so valuable in aiding the civil authorities. Many military skills are just the skills that are needed in all great disasters; for example, medical assistance and first aid, communications, engineering and repairs, traffic control and other such services.

War does not always follow the pattern one expects. It is quite conceivable that a situation may exist in which it will be of great value to have a reserve of at least partially trained personnel in all arms, who would be available as reinforcements. To meet our primary task in the battle for survival, the units of the militia will be grouped together into some 45 or 50 mobile columns. These columns will be trained to take their place in this battle, and will carry out exercises with local authorities and civil defence organizations.

I am well aware of the importance of our militia forces, and I am personally acquainted with the service our militia has performed in the past. They are a great body of public spirited citizens, and I have no doubt that they will carry out the vital role that is expected of them in the future. I am pleased to state that enlistment into the militia and the strength of the militia are higher today than at any time previously this year.

I should like to make a few brief remarks regarding the 1957-58 estimates which are being presented to the committee. Since these estimates, amounting to $1,722,844,000, were prepared, increases in the rates of civil salaries and military pay and allowances have been authorized and took effect from May 1, 1957. The increases in military pay and allowances are estimated to amount to $27,574,892 for the 11 months of the fiscal year 1957-58 to which they apply, and the increases in civil salaries to $6,600,000 during the same period. There has, therefore, on this account been an extra amount of approximately $34,000,000. In addition, the cost of the mid-Canada line construction is expected to exceed the original estimate by some $7 million. A supplementary estimate to cover these additions is not being requested, because a thorough review has been undertaken to make savings in other areas at least equal to this increase.

As a result of this review a number of decisions have been taken which will reduce expenditures. Savings are being made in the operating costs of all three services. A decision has been taken to discontinue the bureau of current affairs. Immediately on my taking office a review of advertising expenditures for recruiting purposes was made, and a reduction of these expenditures by one third was ordered. The curtailment of travelling expenses has also been directed; and while savings in the current year will not be large, in due course a helpful reduction may be expected in this field.

A detailed review of the construction program has been made and it has been possible to defer a number of lower priority items. The equipment programs have also been re-examined and some savings have been possible, notably the cancellation of the mark VI version of the CF-100 aircraft. A review is also continuing of those responsibilities of the defence department which might, with economy, be assumed by civilian departments of the government. One concrete result of these studies has been the decision to transfer the ice-breaker *Labrador* from the R.C.N. to the Department of Transport. Hon. members will recall the excellent work which this vessel did during the exploration of the Arctic this year.

It is now clear that these various savings will adequately take care of the additions caused by the salary increases. It is hoped that continued efforts will accomplish further savings before the close of the fiscal year. This will be done without affecting in any way the operational efficiency of our forces in being. It will be achieved by a reappraisal of planned projects and a readjustment of their priority in the light of the changing concept of military warfare.

In closing, I would point out to hon. members that the present fiscal year is now two-thirds over, and that a large percentage of the 1957-58 estimates are already spent. This, of course, in no way curtails the right of hon. members to raise any point they wish to make on this important subject of defence. I would suggest, however, that any general remarks should be included in the general debate, and that when we reach the estimates in detail we should discuss the items as set forth in the blue book.

At one o'clock the committee took recess.

Supply—National Defence

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Henderson: Mr. Chairman, in speaking on the estimates of the Department of National Defence this afternoon I would first like to make a few comments on the statement delivered by the minister before the recess at noon. The courtesy which he extended to his predecessor, Hon. Ralph Campney—and I am sure he would extend the same courtesy to Hon. Brooke Claxton—was truly in keeping with the remarks I made on November 14, 1957, as reported at page 1151 of *Hansard*, with respect to the attitude of the minister in carrying out his responsibilities. He has today made only kind references to his predecessors.

I was also pleased to hear his remarks about the co-operation he has received from and the confidence he places in the senior officers of the armed services of this country. This is quite contrary to some of the remarks made on former occasions by some of his colleagues, particularly the Minister of Agriculture, who is presently in the committee.

In his remarks today I do not think the Minister of National Defence tried in any way to indicate to the committee or to the country that NORAD is a part of NATO, with which matter I will deal a little later, but he did say that the air defence scheme of the North American continent has been approved both by the government of Canada and the government of the United States. There might be some doubt about that when we refer to the evidence at the meeting of the committee on external affairs on December 2.

I thought I observed one discrepancy, though I might have misunderstood the minister, when he stated that there will be little that the NORAD commanders will be able to do in the first few hours of war except to reinforce the most threatened areas with whatever additional fighter aircraft and missiles become available after the battle is opened. I think this is directly opposed to the remarks made by the minister in a press release some time before this house opened, when he described the push-button control of the defence of the North American continent.

I was interested to note how the rules of aircraft flying over Canada apply and the requirements about filing flight plans and so on. This seems to contradict the reply of the minister in which he said that the whole procedure is carried out in a matter of moments. I submit that after flashing signals to the headquarters at Colorado Springs there will be no opportunity to spend some hours in preparation.

I was somewhat amazed at one statement made by the minister for which I am sure he must have an explanation, to the effect that the divisional headquarters as presently organized will be reduced in strength during the next few months. I presume he does not intend to leave us in the position where we would not be prepared for retaliatory ground action after an attack. He mentioned that there will be some reduction in the R.C.A.F. auxiliary squadrons, and it would seem important to remember that for the small cost involved in maintaining R.C.A.F. auxiliary squadrons they serve as a good pool of trained personnel to keep available in case we wish to expand our use of retaliatory armed bombers.

In the statement he made this morning concerning the reduction of the ground forces it appeared that the minister disregarded the possibility of further local skirmishes or infiltration by an enemy into this country, and that he has not made adequate provision for preventing such happenings by having trained forces available in reserve. On such occasions it may very well be that the regular forces, which in the future will be composed of trained technicians, will have their hands full in dealing with matters of a more technical nature than would be required in the case of skirmishes or infiltration.

I listened with interest to the minister's explanation of the present role of the militia and the role it will adopt in future. I notice that he included in his explanation a comment to the effect that the militia would also take military training along with the civil defence training, which he stated on previous occasions would be emphasized. Under the schedule of training of the militia in the past it took two years to produce a trained soldier. I had an opportunity to review a directive concerning training as it will be conducted, and taking into account the same amount of training it will be spread over a period of five years. In other words it will take five years to produce a trained soldier for the reserve if the new directive for training is carried out. There is a turnover of men in the militia approximately every two years, and it occurred to me that under the new schedule of training there would be a very low percentage of trained personnel, as far as military training is concerned, if the new trend in the training of militia is to continue.

In the minister's statement I observed no mention of waste and extravagance in his

department, and I am sure he will agree with us that before he took over there had been a paring down to the basic essentials.

In relation to construction and the requirements of equipment the minister mentioned that there was a deferment. It seems to me that when there is a deferment we just put off from this year to next year those things we might have needed this year. The construction and requirements of equipment for this year are essential to the welfare of the country, and in particular it would assist the employment situation if such construction were allowed to progress during this winter.

I realize that my hon. friend the Minister of National Defence was for many years a great soldier; and today a great soldier, for several years the defence critic of the official opposition in this house, now finds himself in a new position. He is on the pinnacle where he must initiate a policy to defend Canada, one that would prepare us to retaliate and destroy an aggressor. The position, I am sure, must feel new to him, but he is not alone in this situation because our great partner to the south, the United States, also has a new secretary of defence with but nine weeks of experience on the job. This is all the more reason why particular care must be taken to formulate a defence policy in accordance with the present circumstances, events and eventualities.

We had expected that today Canada's new defence minister would have made a more detailed reappraisal of the defence of Canada, if we were to read and expect action from the speeches he has made in the past. I was disappointed the other day when a member of the C.C.F. party asked about a white paper and received a negative reply. It would seem to me that this would have been the appropriate time when, as the minister explained, there had not only been a change in personnel of the government but a great change in the weapons of war, for the minister to have made available a reappraisal and an assessment of the problem in a white paper.

He has made very little available as far as a report of his appraisal of the defence of Canada is concerned. We know that scientific developments and announcements within the last month do justify a reappraisal of our defences, a report to the nation on our defences, and an assurance from the Minister of National Defence or the Prime Minister that scientific research with respect to defence weapons is progressing.

I do not think it is essential that we must always, in this instance anyway, follow the footsteps of our neighbour to the south. There is an underlying uneasy feeling that the United States has become inferior in some respects compared with Russia. If our government feels that certain items of defence are lagging owing to United States tardiness we must be prepared to take the lead as we did in the Suez question, or encourage the United States to speed up.

My hon. friend the Minister of National Defence, and his government, I must say are faced with some problems right now, and one of the biggest problems is the defence of this country. Even with the use of conventional, outmoded weapons, their first problem is manpower, but manpower now required in addition to the conventional troops who still may be required in the category of manpower which I have indicated. How is the minister recruiting and keeping civilian scientists and engineers? Are his service personnel becoming the skilled technicians, or in other words has he sufficient brain power, in the light of recent weapon advances, in his military establishments? I am sure the minister would want to report to us and assure us that we are not lagging in that department.

We are also dependent upon Canadian industry and the industry of other nations for the weapons of war. The minister should tell us what effort he has made to have industry in Canada continue to co-operate with our defence program as it did in world war II, when Right Hon. C. D. Howe headed the department of munitions and supply. I would not like to feel that our industry has been discouraged in morale and frustrated by the lack of a fiscal and trade policy.

It has been reported that there have been interservice rivalries, and that there has been some waste in defence funds and a slowdown in the development of new weapons. I am sure the minister should report to us to erase this inference. The minister would also want to assure us, since the militia has been more or less erased, that we shall have sufficient conventional troops to discourage a conventional attack or a mop-up after a conventional attack upon our country. We are entitled to know whether under the policy of the government he intends to scrap the development and production of manned planes in favour of an accelerated missile program.

The minister, in formulating his policy, must consider whether he wishes to put greater dependence on nuclear air power and reduction in conventional forces, to the point where his policy has led to an inflexible situation by which we could not meet a threat of local limited war.

I notice that in his statement this morning the minister was more or less of the opinion that if we had an attack it would be an all-out attack. It seems to me that there are two types of nuclear war, a total one and a limited one. Some think of a nuclear conflict only in

terms of mushroom clouds, total devastation over vast areas and an all-out nuclear war. This might never come about, because it might be disastrous to both sides.

The scientists today are concentrating on nuclear weapons which can pinpoint their effort without radiation; for instance, a weapon which could be pinpointed upon a troop or civilian concentration. These weapons could be used in a limited nuclear war, limited in scope, in arms and in area and waged by professional fighting men. This type of war could be triggered or push-buttoned if and when an aggressor should attack North America. This type of war would be a distinct possibility. Nuclear war would be short, including the detonation and mopping up. It would be over in days or possibly in weeks.

The new nuclear weapons and the H-bomb have provided this nation and other nations of the world that may be involved in a war with a great many avenues of thought and policy. There are those who say that if we find ourselves in war we should use our most effective weapons against our enemies. Today the most effective weapons which warring nations would have would be the H-bomb and nuclear weapons. If we can believe reports from the United States—whatever the truth is of the Russian claim to having successfully tested an intercontinental ballistic missile—they are ahead of the Russians. If this is so it is an immense advantage to Canada as well as to other NATO nations, but we must bear in mind the fact that there is a great possibility that nuclear war would be a limited one. There would then, as the minister told us this morning, be no time to mobilize and train troops and engineer and produce weapons, process and store the essentials of life, food, and so on. This is an important matter. If we are to win this type of war we must win it years ahead by preparedness.

The minister mentioned NORAD this morning. I should like to refer for a few moments to sessional paper No. 183, which contains the order in council dated July 31, 1957, along with a joint statement by the secretary of defence of the United States and the Minister of National Defence of Canada. I might say that I agree with the policy of the joint air defence of North America. Among other things, I was interested in the principles and procedures which are involved in the establishment of this particular defence. I think it needs a review and some scrutiny. I am assured that this is the only document that deals with the important matter of this particular phase of the defence of North America. Yesterday when I asked the Minister of National Defence whether there was any further order in council dealing with this matter other than the one to which I have referred, his answer was in the negative.

For a moment I should like to put on the record what I really think this order in council does. As I see it, it does two things. It appoints Air Marshal Slemon and makes provision for his pay. It instructs him that he is to take his orders from a superior at the Colorado headquarters. There is something else that has been raised. What justifies the 40 members of his staff being out of this country under a foreign commander, General Partridge? I do not believe we have had that answered yet in this house, except probably by an explanation which added to the confusion.

Mr. Pearkes: I wonder whether I might help the hon. member. The figure 40 is quite inaccurate; 13 is the number.

Mr. Henderson: I am very glad to have that information at this time, Mr. Chairman, and I wish to thank the minister for it.

Mr. Knowles (Winnipeg North Centre): Will the hon. member permit a question? In view of the fact that he has made reference to sessional paper No. 183 and the order in council of July 31, 1957, will he say where he finds in this order in council anything which indicates to whom Air Marshal Slemon is responsible?

Mr. Henderson: I think it is indicated, Mr. Chairman. He is to be deputy commander in chief. He is described as such, which would imply that he would have a commander in chief.

Mr. Coldwell: He might be responsible to the President of the United States.

Mr. Henderson: Yes. It is now some time since the order in council was passed, and we have been advised that over this period of time there has been consultation, but we have found that there has been consultation on a military level only. Included in the statement issued by the secretary of defence of the United States and the Minister of National Defence of Canada, which statement accompanied the order in council, there is a particular sentence which is important and which I should like to read. It is in these words:

> This system of integrated operational control and the setting up of a joint headquarters will become effective at an early date.

That was five months ago. The statement that the command became operative immediately is further supported by the answer to a question I asked the Minister of National Defence on November 5, as found at pages

757 and 758 of *Hansard*. I asked the minister if the command was operative, and the minister replied:

> Yes, it is operative on an interim basis until the formal agreement has been drawn up as I explained to the house.

Hon. members will realize that an agreement must have some limitations, and although we might agree with the policy or purpose of the order in council we certainly would like to know what the limitations and details of the agreement are at this time, five months after some kind of an arrangement was made, during which period of time the headquarters of General Partridge and Air Marshal Slemon has been operative.

We were particularly interested in knowing what consultation there had been with the government of Canada, and on November 6, 1957 I asked the minister how there could be consultation with the government of Canada prior to Canadian fighters being put in the air if there was an attack by an aggressor. The minister answered, "Mr. Speaker, by telephone or other means." On that same day there was the following exchange between the Prime Minister and the hon. member for Essex East as found at page 812 of *Hansard*:

> 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.

The Prime Minister agreed that it was extremely important. In the light of the meeting of the external affairs committee the other day and in the light of what has been said in the house and the reference in the minister's statement this morning, it would seem that the same principles were involved as in the case of the arrangement made in the early part of world war II by Mr. King and Mr. Roosevelt. For the sake of clarification perhaps I might read a portion of Mr. King's speech on the address in reply to the speech from the throne at the 1940-41 session of parliament. I wish to refer to page 54 of *Hansard* for November 12, 1940.

Perhaps I might preface what I am about to read by saying that even at this stage, five months after the arrangement was made for NORAD, the Department of External Affairs has never been consulted with respect to any agreement or arrangement with the United States concerning the defence of the North American continent and the involvement of Canada in that defence. I will refer to that later, as that was one of the matters discussed by the external affairs committee earlier this week. Mr. King had this to say in his address:

> The first inkling of developments already under way was given to the public by the President of the United States, on August 16. On that day Mr. Roosevelt announced that:
> "The United States government is holding conversations with the government of the British Empire with regard to acquisition of naval and air bases for the defence of the western hemisphere and especially the Panama canal. The United States government is carrying on conversations with the Canadian government on the defence of the western hemisphere."
> I shall have something to say to the house in a moment about these conversations. I wish first to recall the events which followed immediately on President Roosevelt's announcement.
> The following day, which was August 17, I met the president at Ogdensburg. Our conversations that day, in continuance of conversations previously held, culminated in the formulation of an agreement which was made public the next afternoon, in a joint statement issued by Mr. Roosevelt and myself.

I would point out, Mr. Chairman, that in this instance the early stages had passed, the command now became or was immediately operative, and the matter was not dealt with on a military level but a government level, which I suggest is a complete difference in principle from what has been applied in the case of NORAD.

An hon. Member: There is quite a difference now, too. There was a war on then.

Mr. Henderson: Well, there is more time to make an agreement now and probably reach an agreement much faster without having other things to do. The Prime Minister and the president had discussed the mutual problems, and these were the terms of the agreement:

> The Prime Minister and the President have discussed the mutual problems of defence in relation to the safety of Canada and the United States.
> It has been agreed that a permanent joint board on defence shall be set up at once by the two countries.
> This permanent joint board on defence shall commence immediate studies relating to sea, land and air problems including personnel and material.
> It will consider in the broad sense the defence of the north half of the western hemisphere.
> The permanent joint board on defence will consist of four or five members from each country, most of them from the services. It will meet shortly.

It is interesting to note that the instance which concerns us at the present time, NORAD, does not conform to the same principles that were adopted at the beginning of world war II. As found on page 56, Mr. King stated:

> Our common problems of defence were discussed at length and in a more concrete and definite way when I visited Washington in November, 1938, to sign the new Canadian-United States trade agreement.

I think it is interesting to place on record the minute of cabinet in 1940, which is not included in sessional paper 183 to which I referred today. On page 56 there is also the following:

By a minute of council approved by His Excellency the Governor General on August 21, the establishment of the permanent joint board on defence was formally ratified and confirmed.

With the permission of the house, I should like to insert in *Hansard* a copy of the complete minute.

The copy of the complete minute sets out very well the procedure to be followed in the establishment of a joint command of this nature. It is in these terms:

The committee of the privy council had had before them a report, dated August 20, 1940, from the Right Honourable W. L. Mackenzie King, Prime Minister and Secretary of State for External Affairs, representing:

That on August 17, 1940, at the invitation of the President of the United States, he proceeded to the United States to Ogdensburg in the state of New York, to meet Mr. Roosevelt for the purpose of discussing mutual problems of defence in relation to the safety of Canada and the United States.

If I may stop there for a moment, we can see that this arrangement certainly was on a political level and not a military level, as was indicated in the external affairs committee this week. I continue with the following quotation found in the minute:

The Prime Minister and the President have discussed the mutual problems of defence in relation to the safety of Canada and the United States.

It has been agreed that a permanent joint board on defence shall be set up at once by the two countries.

This permanent joint board on defence shall commence immediate studies relating to sea, land and air problems, including personnel and material.

It will consider in the broad sense the defence of the north half of the western hemisphere.

The permanent joint board on defence will consist of four or five members from each country, most of them from the services. It will meet shortly.

That the actions of the Prime Minister in conducting the said conversations and in agreeing, on the part of Canada, to the establishment of a permanent joint board on defence for the consideration of the defence of the north half of the western hemisphere, are in accord with the policy of the government as approved on many occasions by the war committee of the cabinet and the cabinet itself.

May I state, Mr. Chairman, that in the instances we have been discussing this session we have had no indication from the present government on this matter, although they would like to say that this matter was discussed in cabinet and that it received the approval of the war committee of the cabinet; I presume that today that would be called the defence committee of the cabinet.

The Prime Minister, therefore, recommends that his actions in conducting the said conversations and in agreeing to the establishment of the said permanent joint board on defence be ratified and confirmed.

[Mr. Henderson.]

The committee concur in the foregoing recommendation and submit the same for approval.

I might say that beyond page 57 Mr. King also related that these declarations marked the first public recognition by both countries of reciprocity in defence.

In the sessional paper we had filed, and the order in council with the statement of the Minister of National Defence and of the secretary of defence for the United States, we failed to have a cabinet minute.

The Chairman: Order. I am sorry to have to interrupt the hon. member, but I must advise him that his time has expired.

Mr. Henderson: Could I have two minutes more?

Some hon. Members: Go ahead.

The Chairman: With the unanimous consent of the committee.

Mr. Henderson: Thank you, Mr. Chairman. If I may, I should like to direct my remarks for a moment to the manner in which the principle involved in the establishing of NORAD has been handled. May I make an observation from the committee on external affairs, where the Secretary of State for External Affairs was asked what relationship there is, if any, between Canada's participation or membership in NATO and the joint air defence program with the United States. The Secretary of State for External Affairs said he was unable to answer that question. He was then asked where he could get the answer.

The Secretary of State for External Affairs, I observe, was prepared to make a statement about NORAD; and he said the Prime Minister had made a statement in the house, and that this question would be considered further on the estimates of the Department of National Defence. He reiterated with emphasis that so far as his department are concerned they had not been brought into this matter whatsoever, that there had been a discussion on the military level and that his department would deal with the political aspect of it.

It seems to me at this time that although the command is operative, this matter never reached the level of the political aspect, nor has parliament been advised or been able to approve of any permanent or fixed formal agreement which there might be between the two countries with respect to the air defence of North America. It would seem that the principles involved in making an arrangement of this kind between the two countries are not in any way similar to the principles involved in the procedure as between Mr. Roosevelt and Mr. King in 1940.

If I might just bring my remarks to a conclusion at this time, I should like to do so by saying this. The other night I was reading the Dulles policy as outlined by Mr. James Shepley in *Life* magazine January 16th, 1956, in an article entitled "How Dulles Averted War Three Times—He Brought U.S. Back From the Brink". I should like to conclude these remarks with a sort of warning to the present Minister of National Defence and the present Secretary of State for External Affairs that they should review the situation and make sure that in the handling of a matter so important as NORAD, the joint air defence of North America by Canada and the United States, they have not conducted matters so loosely that there would be a possibility that they might be involved in a policy of what we might call this "brinkmanship"; that Canada by inadvertence, lack of information, negligence, carelessness or otherwise, might unnecessarily be brought into a sphere of policy whereby war would be thrust upon us not of our own making or concurrence.

Mr. Coldwell: I was very happy to listen to the minister this morning when introducing for the first time his estimates to this house. We sat in very close proximity in the last house and were often able to have a chat. I have a very high regard for him, but I must say that I do not envy him in the task that lies before him in this extremely important department.

When I was participating in the external affairs debate on November 26 I stated that we should take a new look at our external policies as well as those of national defence, because the two departments and their policies are more or less linked closely together. Today the Minister of National Defence has introduced estimates that were compiled by his predecessor in office and before some very startling new developments occurred in the production of nuclear and thermonuclear weapons in the past six months.

May I say to my friend the hon. member for Kingston that I do not see that it is realistic at all to talk about a limited nuclear war. I do not believe that such a thing is possible. It seems to us that these estimates are not only sadly out of date but that they should be carefully scrutinized by this parliament before they are approved and adopted. I recollect how hon. gentlemen opposite, when they were in opposition, demanded that the estimates of the Department of National Defence presented by the former Liberal administration should be scrutinized by a committee of the House of Commons. What they said then I think is true today, and even more true than it was then. On June 21, 1956, as reported at page 5244 of *Hansard* of that year the then leader of the opposition, Mr. Drew, had this to say:

> The estimates now before us call for an expenditure of $1,775 million.

That is almost identical with the amount we are discussing today.

> Further amounts probably will be added by the supplementary estimates which will be presented later. What have we before us to really tell us whether this money is being properly spent or otherwise? We really have nothing but bland assurances which were not substantiated by the detailed facts which would make it possible for us to pass judgment on this vitally important question.

I say that what Mr. Drew had to say on that date is equally applicable this afternoon. We have nothing but bland assurances with no facts to make it possible for us to pass judgment on this vitally important question. We have not even a new white paper. The white paper we have before us is the one that was presented to this house by the former minister of national defence last April. If I may quote again I should like to do so. Speaking in the same debate on June 22, 1956, the present Prime Minister said this, as reported at page 5321 of *Hansard*:

> We are left in the dark. We do not know. In order to obtain information we have to read the reports of the United States Senate committee or the House of Representatives committee . . . Are we receiving value for our expenditures? One does not have to have the knowledge gained by committees to conclude that in too large a measure there has been a wasteful disregard of the requirements of the people as a whole and waste of the moneys collected from the people through taxation.

Even today we are obliged to learn a great deal about North American defence from representations and statements, of which I will perhaps say more in a moment, that are made before a committee of the Senate of the United States. Today we are left more in the dark than ever before, because apparently the Minister of National Defence, without any conference with the Department of External Affairs, has committed our armed forces in North America to the control of a United States commander without the safeguards which we insisted upon when, through diplomatic channels, we agreed to place certain of our forces under the North Atlantic treaty command or, as my hon. friend said a few moments ago, following the Ogdensburg conversations between Mr. King and the late President Roosevelt.

When were these arrangements reached? We do not know. As the hon. gentleman a few moments ago pointed out, we have just the one document, the order in council, and a press statement; that is all we know about it. If the rumours are correct this had

been before the former government for some time, on the recommendation of the former minister, but the former government felt it could not approve of the arrangement; yet this decision was made shortly after the present government took office, on July 31 this year. How was it done? Where was it done? And what assurances were given prior to the passing of this order in council? Perhaps we shall get that a little later on. We certainly should.

One could quote extensively from speeches made by the new cabinet ministers including the Minister of Justice, the Minister of Agriculture and the Minister of National Defence himself, to the effect that these estimates should be more carefully scrutinized by a parliamentary committee than they have been, and today we have nothing further to substantiate the defence estimates than we had in previous years.

As I said a few moments ago, in the past few months fantastic changes have taken place in the world's military technology, accompanied by almost as rapid changes in strategy and tactics. Indeed, progress in current military science has become so accelerated that nearly every weapon now designed is said to be a transitional weapon soon to be superseded by something more revolutionary. The staggering increase in the rate of obsolescence of weapons of war is a problem which not only all military planners must face but which parliaments like our own must consider before we agree to stupendous expenditures without careful inquiry into the validity of the demands of this department.

We must also ask ourselves today to what extent is it wise or possible to continue to adhere to an arms race when we know that the new and terrible weapons of war give neither security to our people nor defence. Air force General Earl E. Partridge, commander in chief of NORAD, to whom our own Canadian defences have been committed, asserted before a Senate committee—I might say before Russia had launched her satellite—as follows:

> If the aggressor's weapon is the intercontinental ballistic missile this continent stands today almost as naked as it did in 1946, for I have no radar to detect missiles and no defence against them.

This statement is one we should bear in mind when we are considering the recommendations now before us from the Department of National Defence. While these are the estimates for 1957 to 1958—and one does not care to move any reduction in them because much of the money has already been spent—if estimates different from these are not brought in for 1958-59, then I think some of us will have to move for a reduction in the estimates, particularly if no parliamentary committee is set up to inquire very carefully into these matters at that time.

As I said in the external affairs debate, the only defence possible is one based upon the elimination of war itself through negotiation with other countries—particularly those who may be potential aggressors. Yesterday again one of the military leaders of the United States was reported as having said—and I heard this myself, of course, over the C.B.C.—that the Russians were so far ahead of the United States that there was imminent danger of destruction. His solution, of course, was that more money and more energy must be devoted to more weapons for United States armies and those of her allies. There was no suggestion that a new approach must be taken to end the disastrous arms race which is now in full effect—with Russia, I might add, apparently in the lead.

In the circumstances now clear to us all, we have lost the power to defend ourselves. Nor have the Russians power to defend their people in their country, for General Norstad, head of NATO, testified before his Senate committee a few weeks ago that the west could attack Russia from 250 NATO bases in a complete circle around that country, and that even if the Soviets had 200 per cent of his attacking power they would still be destroyed. Incidentally, when we were given this information we were told it was confidential, but before the senate committee of the United States General Norstad makes this statement publicly and openly, and it is reported in the United States press. Apparently the United States Senate can be given information which is denied to us except under confidential or secret circumstances.

It is a grim situation which faces us when we begin to examine the proposals and expenditures of the Department of National Defence, yet our leaders continue to talk in terms of war. I said in the debate on external affairs that the present arms race really dates from the production of the atomic bomb in 1945. It was then that one of the wisest United States statesmen, Mr. Stinson, secretary of the army during the second world war, told the last United States cabinet meeting which he attended in September, 1945, that "unless the Soviets are voluntarily invited into partnership upon a basis of co-operation and trust" a desperate arms race would follow. Mr. Stinson urged direct negotiations with Russia to that end, and at once, but unfortunately his advice was not followed.

Similar sentiments were expressed in the United Kingdom and in Canada, but

Washington decided to keep the atomic bomb, as she called it, "a sacred trust". So, on November 15, 1945, the United States, the United Kingdom and Canada issued a declaration which did the very thing that Stinson had warned against. Since then we ourselves have spent many billions of dollars on defence. Indeed, nearly one-third of our entire budget in recent years has been spent in this field, or one-half of our controllable expenditures.

The estimates now before us provide for an expenditure of $1,717, million and these may have to be supplemented before the end of the current year, I do not know.

Mr. Pearkes: No.

Mr. Coldwell: I am glad to hear the minister say that. We are warned that if we proceed to reorient our military requirements in the direction of modern nuclear and thermo-nuclear weapons this amount will have to be vastly increased as the years go by.

What is the alternative? On October 7 the New York *Times,* which has given consistent support to United States leadership in the cold war and against Russia and the satellite countries, had this to say:

> The truth is at once more ominous, more exacting and more enchanting. The greatest adventure of all is not to go to the moon or to explore the rings of Saturn. It is rather to understand the heart and soul of man and to turn away from wrath and destruction and toward creativeness and brotherly love. We cannot look at the world today without realizing that our mastery of ourselves has not kept pace with our mastery of inanimate nature. We now have the power to destroy each other and all the works of civilization, but we have not yet invented a sure way to control this power. In a sense, a part of us never came down from the tree, never crawled out of the cave. Now we must arise out of our long childhood and play the part of wise, mature and humane men—all of us, all mankind, of whatever political or religious faith—or we shall surely die.

This is a very different statement to the kind of statement which comes under the description of the "brinkmanship" of Mr. John Foster Dulles. There is no doubt that the idea of defence is regarded by many people as a principal function of the national state. Yet today we know there is not a people on the face of the earth who can be defended from wholesale and terrible death and destruction if another big war comes. Obviously then we are on the brink of destruction, with no sure defence, unless we revise our national policies and rely on negotiation instead of piling up obsolete weapons of war for which we are providing again in the estimates now before us.

As I said at the outset, our defence program, in spite of the change in government, is to continue free from adequate inquiry under the critical scrutiny of a parliamentary committee. Unlike the governments of the United Kingdom and the United States, the Canadian government has never been compelled to justify before parliament its defence policy involving huge annual expenditures. We should now demand that it do so.

Yet these expenditures, to a very large extent indeed, are for the production and maintenance of obsolete weapons that could contribute little or nothing to the defence of Canada. One could go into each branch of the services and show how pitifully inadequate they are to meet the threat of modern nuclear war. We are still spending huge sums of money on conventional weapons that, by comparison, are as out of date as the weapons used in the South African war were out of date in the second world war.

Our air force, which like our other services contains well-trained and devoted personnel, is equipped with planes that, we are told by competent authorities, are now quite obsolete. Both the United States and the U.S.S.R. have modern planes which are far in advance of anything we possess; yet they too offer no defence against the guided missile. Even before the recent and startling developments Lieutenant General Guy Simonds, the retired chief of our army general staff, on the C.B.C. television program "Citizens' Forum", last February declared that the re-equipping of the R.C.A.F. home squadrons with the mark V of the CF-100 was money "down the drain" since the plane was already obsolete.

Those are not my words. They are the words of Lieutenant General Guy Simonds. Is it true that the conversion of our air force to the mark V CF-105 would cost about $8 million per unit or over $1 billion in all? All this would be required to convert one obsolete plane into another obsolete plane, if we may take what Lieutenant General Guy Simonds says as an accurate statement of the position.

One could develop this statement still further and point out that apart altogether from the guided missiles, these obsolete planes could never intercept the higher-flying and faster Soviet intercontinental jet bombers if they were loosed upon us. Nor, as General Partridge has already indicated, can the three radar screens, namely the "Pine-tree" line, near the Canada-United States border, the mid-Canada line, or the distant early warning line, apprise our cities or our forces of the approach of the new intercontinental ballistic missiles.

And into all this we are pouring hundreds of millions of dollars. In an article in *Macleans* magazine of February 18, 1956—and again, may I say, before the Russians announced the success of their intercontinental ballistic missile—General Macklin,

who was adjutant general of the Canadian army until last June wrote:

> This being a free country, it is open to the advocates and architects of this gigantic defence to justify its terrific cost in money, machinery and men to the groaning taxpayers who have to pay for it. I am not aware that, so far, they have made any notable efforts to do so.
>
> The whole business has been announced to parliament and the public bit by bit and many of the details are still hidden from us. Perhaps they have to be, in the interests of security, though "security" has far too often itself been used as a wall behind which many an expensive bonehead play has passed unseen by the public.

And we know perfectly well that we have been told in this house on former occasions by former ministers of defence that some of the equipment, orders for which were placed in the factories at the blueprint stage, would be obsolete before the actual equipment came off the line. I believe I remember Mr. Brooke Claxton telling us that in this house with regard to some aircraft.

Members of the house are, therefore, entitled to ask the new government of Canada to justify these estimates which were placed before us by the previous administration and which are quite similar to those which from time to time the gentlemen who now occupy the posts of responsibility, vacated by the Liberals, criticized so severely. We have no right to pass these estimates without the most careful inquiry and scrutiny.

However, from what I have said it is obvious that we believe there is no hope of defence in the proposals that are now before us. On the contrary, we believe that Canada must press for a new look at our defence and international policies which are so inextricably linked. We believe that our surest defence lies in endeavouring to bring about a progressive reduction in defence expenditures through the elimination of threats of war. Hence we urge our government to use its influence to further the cause of world peace through negotiation. We believe that if these estimates were thoroughly investigated and all expenditures for obsolete planes and obsolete equipment of every description eliminated, we could transfer substantial sums of money for the most effective means of human well-being and international security.

The future of the world is not going to be decided on the battlefields, because battlefields may make the future of mankind uncertain. On the contrary, the devotion of our efforts to the relief of human suffering, the promotion of human health, and relief of world-wide hunger would do more to promote world peace and our own security than any other endeavour we could undertake. I should like to repeat a quotation from the editorial of the New York *Times* to which I have already referred:

> Now we must arise out of our long childhood and play the part of wise, mature and humane men—all of us, all mankind, of whatever political or religious faith—or we shall surely die.

Unfortunately the signs are few that governments will take effective steps to ensure that we have peace unless they are forced to do so by a mighty demand from the peoples whom they govern. Only an aroused and awakened public opinion can stop this drive to universal annihilation, and as far as we are concerned in this house with the estimates before us, can we say to the people of Canada that after we have spent every penny of this $1,717 million Canada is going to be any safer for it, when we know, and are told by competent authorities such as the three I have named, that we have no assurance of warning in case of attack, that the equipment we are relying upon for defence is obsolete, and that we have been spending hundreds of millions of dollars wastefully?

I say to the new government that I am surprised that after all they said when in opposition regarding the need for a scrutiny of these estimates they should come before us with these estimates practically unchanged and ask us to vote them virtually in toto. We expected that they would set up a committee early this session before which we could call the responsible officials of the department for questioning regarding these expenditures.

Right from the conclusion of the last war the door has been shut against members of parliament inquiring into the activities of this department. We have been told that national security demanded it. But in the light of statements which are now being made by General Partridge, and the fact that our own air force is under the control, as I understand it, of a foreign government these estimates should be scrutinized. The hon. gentleman is shaking his head. He has been shaking his head all afternoon—I do not mean the minister but the hon. gentleman beside him, probably his assistant. He can shake his head as much as he likes, but that will not stop me from saying what I think, and not only what I think and wish to place before the house, but what some other people more competent to judge than he is seem to think.

I want to conclude my remarks by saying that this parliament owes a duty to this country not to let these estimates pass lightly but to see to it that we look into matters carefully, make up our minds what we should do about it, stop the waste and inefficiency and

the obsolescence in this department and co-operate with all others as far as we can to achieve the only way in which mankind can find safety, by the removal of the threat of nuclear war from this country and the world.

Mr. Low: Mr. Chairman, may I begin by admitting that I do not pose as a military expert. I am speaking strictly as a layman who would like to see the right thing but perhaps not knowing exactly what the right thing would be in the field of armaments and military science. I would say at the outset that we deeply appreciate the courtesy of the minister not only today but since he came into his important office because on a number of occasions this year the present minister has given evidence of a desire to keep us informed and help us understand the rather difficult problems that arise from time to time. I want also to express to him our thanks for his courtesy in sending us a copy of his speech which he delivered earlier today. This thoughtful action gave me a better opportunity to follow exactly what he had in mind with regard to government policy.

If the hon. member for Rosetown-Biggar and I had got together earlier today or yesterday I do not suppose we could have followed a more parallel course in what we have to say. I should like to begin by discussing the matter of the committee which he brought up and there is only one thing I can say that would differ from what he has presented here as a good reasoned argument for the committee. I gave him and his colleagues a chance just the other day to make it possible for us to have a committee of that kind set up and he and his colleagues turned down the proposal by voting against the amendment we moved.

Mr. Coldwell: That is not the reason we turned it down.

Mr. Low: I understand that but the proposal would have given the hon. member for Rosetown-Biggar and his colleagues the right and opportunity to put into practice what the hon. member preached here today, and I say it is about time we practise what we preach.

Mr. Coldwell: We usually do.

Mr. Low: Otherwise we will never have the careful scrutiny of these estimates which he suggested we must have. We, too, feel that recent developments in the field of intercontinental ballistic missiles and interspace travel and advances in all branches of technology require a reappraisal of our whole defence policy. We feel that such a reappraisal must not be left exclusively to the military leaders of this country. This parliament must apply itself diligently to this particular task, too. Neither the time nor the facilities are available in the committee of the whole in which we find ourselves at this moment to do what anybody could possibly call an efficient job.

The government should have set up a defence estimates committee early in the present session to get started with its work and that work should be carried on continually for the duration of this parliament. Nothing less than many months of effort would be required to secure the information which we should have if the reappraisal I spoke of is to be made.

We suggest that this committee should have the authority to summon witnesses and send for papers. I suggest to the minister that it is not too late yet. We cannot in conscience do less than our full duty as representatives of the people and I say we are not doing our full duty unless we make a very careful and detailed scrutiny of the proposed estimates for defence. The establishment of a committee to study the estimates in the greatest detail is essential if any worth-while reappraisal of our defence policy is to be made.

Such a committee is especially essential in the light of the foolish policy the government has adopted in trying to force unduly the present session to a conclusion. The other day I said what I deeply feel in that connection. I cannot possibly see how anybody could declare that he has done his full duty to the people who sent him here and to his country if he does not prepare himself to stay here as long as it is necessary to thoroughly scrutinize the estimates, particularly those of the Department of National Defence, and study and reappraise our whole defence policy. That is one of the reasons I feel, as I said the other day, it is foolhardy to suggest we should start sitting longer hours for the purpose of trying to finish up before Christmas or perhaps just a few days after Christmas. It seems utterly childish and foolish to me to make this attempt and in all seriousness I suggest that the government even yet should reconsider its determined policy in this regard and agree to the setting up of the committee about which we have spoken.

I would like to mention that earlier this year on February 26, 1957, when the leader of the Liberal party, the hon. member for Quebec East who was then prime minister moved a motion to appoint a select committee on estimates, the hon. gentleman who is now the Prime Minister had some rather cogent remarks to make and I would like to quote

his comments as they appear at page 1655 and the following pages of *Hansard*. This is what the present Prime Minister had to say on that occasion as reported at page 1655:

> Today expenditures are fabulous in amount and, except for ministers in the government, there are no adequate research opportunities whereby parliament may properly discharge its responsibilities.

This was part of the hon. gentleman's argument for a better opportunity for members of this house to study the detailed estimates and secure information from the department so they would know what they were doing.

The hon. gentleman who is now the Prime Minister, as reported at page 1657, had this to say:

> Throughout the years I have said—and I repeat it now—

You notice that he admits having said it throughout the years which would indicate it was a conviction with him and if it was a conviction with him through those years I suggest it should be now. I continue:

> Throughout the years I have said—and I repeat it now—that there is today no means whereby expenditures can be examined. There is no means available. In the first place, members of the opposition naturally have not that research knowledge which is necessary; they have not available to them the civil service. They are obliged to depend on information that comes in that desultory way that has existed throughout the years. Gladstone once said: It is more difficult to save a shilling than to spend a million. An estimates committee, properly set up, could bring about savings in this country which would be beneficial not only to the departments concerned but above all to the taxpayers.
>
> Up to the present time, with the exception of that committee which was set up during the days of the war—I refer to the war expenditures committee—there has been no serious endeavour through the years to meet this problem of a careful examination and scrutiny coupled with the necessary recommendations as to the achievement of savings.

I agree with that and I believe the argument is just as valid today as it was on February 26 or at any previous time for the setting up of a committee for the purpose of a detailed analysis of the estimates of which we are about to go into as careful a study as is allowed in the committee of the whole in the few remaining days left before the government hopes to adjourn or prorogue or whatever it is going to do.

Then the hon. gentleman said this:

> The committee that is now being set up—

Which was the committee on estimates—

> —under this resolution is but a copy of the one that has been in existence for two years. In the light of that experience I say that unless it has the power to call witnesses and to ask for papers, it is nothing but a sham and a delusion.

Well, what is the use of having a committee unless you do clothe it with the authority to call witnesses and to ask for papers? It would be a sham and a delusion. Therefore, the committee we are asking for should be clothed with the authority to call witnesses, especially, Mr. Chairman, in the light of the fact that over these past few months we have retired generals of the army who have made scathing criticisms of the way in which our defence policy is being applied. But I do not necessarily believe all that General Simonds has said, nor General Macklin, both of whom were quoted by the hon. member for Rosetown-Biggar; but the very fact that those people were in the know, that those people had great responsibility while they were leaders of our military forces in this country, gives some credence to what they say. It seems to me that in the light of what General Simonds said particularly, as is quoted in the Ottawa *Citizen* of November 6, 1957, we should have a committee. By the way what he said was headlined in these words:

> Millions Wasted on Obsolete Arms, Simonds Attacks Suicidal Policy

He goes on to make some pretty strong accusations, and he says at one point that he saw only marginal hope that the defence department will modify its policies. He is speaking of the new one. He continues:

> "They spend too much time trying to think up defences for their past decisions, justifying past policies."
>
> Much of the trouble, he said, stemmed from "vested interests" who would not yield to new facts.

These are serious accusations and if there is a shred of truth in them, Mr. Chairman, it seems to me that there ought to be a thorough investigation of the matter and General Simonds ought to be summoned before that committee to give evidence and to submit himself to serious questioning by the members of this house. It cannot be done, of course, unless we do have a committee.

General Macklin has also made some pretty pointed remarks about our defence policy and he should also be heard. I am not going to weary the committee by quoting what he had to say, but he did declare that Canada's missile radar defence could not possibly stop all the bombers, nor could it warn of guided missiles coming into our country. Well, let us get these men before us and any others who have been free in providing criticism and accusations. Let us get them before that committee and let us examine them most thoroughly and ask them to substantiate the things they have said. It does seem important for us to know. I say we cannot know unless we have some such thing as the committee about which I have spoken.

Let me say a word about our position with regard to NORAD. There has been for some

days in this house not a continuous debate but a continuing one about the joint air defence of America. I would just like to say one word about it. It seems clear to me that Canada just would not have the manpower and other resources to defend all of Canadian territory in case of an attack and do it by itself; consequently, in my judgment, we will need the assistance of the United States which does have the manpower and the armed strength. Since this is so, there must be some form of agreement between Canada and the United States regarding the joint defence of North America.

The minister mentioned this morning that this agreement was in the process of development. The procedure and the details are in the process of being worked out. I thought there was nothing peculiar or unusual about that. One hardly expects to enter into an agreement with any other country without first having established the formal and detailed basis upon which an agreement of that kind can be made and be made successfully. For that reason I thought the minister's explanation this morning was quite clear and to me quite sensible. The agreement which is being worked out, however, must make provision for continuation of United States radar and other bases in the northern part of Canada.

We must never allow Canada to become a no man's land between an attacking country and the United States. We insist, therefore, that the defence of Canada must start in the far north. That being the case, we have to join with the United States, it seems to me, in providing the strongest type of warning lines in the north and keep them up to date. I see no alternative to it at the moment unless, Mr. Chairman, it is possible to get such men as General Simonds and those other experts who volunteer information outside the house to come in and give us the information in evidence before the committee and have them undergo careful questioning. If they can show us where it is foolish to spend our money on those northern radar lines then, of course, it would be possible for us to make the necessary change.

We believe that any joint continental air command must be in a position to move to the defence of our country instantly when the attacker has been spotted. There will be no time for consultation once the attack has been launched. We believe that the form of the agreement should provide for whatever Canadian units are to be involved and to be used along with United States units to meet any danger that arises without any further consultation about who is to issue the command or under what circumstances the units are to be used. However, we do believe that parliament should be given the general facts about the agreement as quickly as it has been developed and before action is taken to involve any of our units in any action.

I do not mean to say by that that the details of strategy and all that sort of thing should be divulged to parliament. Nor do I even suggest meeting in camera to hear the details. I refer only to the general form of the agreement, together with the facts about what part Canada is expected to play, who is to command the forces and whether Canadian units can be ordered into action without further consultation with the government or parliament. Once this parliament has approved the general agreement with the United States, then I think all haggling over details should stop.

I should like to say before my time lapses, Mr. Chairman, that I realize some of the problems the new Minister of Defence is up against. I know they must be terrific and I have to make allowances in anything that I say for the short time in which he has been Minister of National Defence; but I have also to keep in mind the many years during which he has been a leading military figure in our country. I give him credit for approaching his task with realism and I do hope he will be successful in effecting those savings of which he spoke, and I think he will be. I do not think there is any question about it. But one of the great problems he faces is the decision about weapons that Canada is developing or already has. Whether we should continue on with the use of conventional weapons or whether we should scrap those, stop all the work on the development of further supersonic jet planes, and that sort of thing and try something else, I do not know.

I am sure that the minister himself is struggling with that problem, but as he struggles with it I am quite certain he will come face to face with the urgent need in this country of better trained, more skilful research and scientific personnel. Various papers in the country for several months past have been emphasizing the need to divert some of the millions of dollars now being spent on defence into the better education and better training of engineers, technologists and skilled researchers. This raises in my mind the question of whether Canada's most effective contribution to defence against aggression might not be the spending of some millions of dollars on research and financing the technical training of a great many more Canadians.

I think perhaps that is going to be essential, particularly if what the minister said this morning is to be made a reality, that is,

that through the joint efforts of Canada and the United States at the bases in Texas we are to develop interceptors that will be successful in stopping ballistic missiles that are aimed at us and which we can detect in time. I hope the minister will have something to say on that matter before he closes the debate. In fact, in the course of studying his estimates, if we are going to study them right here in committee of supply, it will be my purpose to remind him of the question and perhaps to draw out from him some of his ideas with regard to this important problem.

I agree with him that our participation in NATO, taking our full responsibility therein, is the best way to show our determination to prevent aggression. I do not think there is any question about the need for pooling the strength of the western nations in such an alliance as NATO. I believe what the minister said this morning is perfectly true, that our collective security is bound up in NATO and we must keep ourselves as strong as we possibly can in that connection. We must never let down our guard and the only way we can be sure that other nations will not launch a war against us is by reminding them through some such collective arrangement as NATO that if they do their sins will rebound on their own heads with redoubled force. I feel that alone is one of the best assurances against war so I do not plead for one moment that we should divert needed moneys from the provision of those weapons of war that are essential to prevent aggression. But I do ask the minister to consider most carefully the possibility of diverting some moneys into the proper training and education of the skilled personnel this country is going to need if we are ever going to keep ourselves free from aggressors.

I do not think I will speak longer at this time. There are many questions we would like to ask regarding the details of the estimates and we will do so when they are before the committee. But I ask the minister and the government once more to consider setting up a committee to study the defence estimates before whom we can call experts to give evidence and to justify the things they have so freely said to the newspapers and in addressing clubs and other organizations across this country.

There is only one final thing I wish to say. While we are concentrating our attention on military affairs, on national defence, I think we should also try to keep ourselves balanced. Let us never forget that the moral influence Canada can exert in this troubled world can be much more effective, if it is properly mobilized and exerted, than all the military weapons that might be piled up put together. We have a place that we can fill and I certainly suggest that we keep our minds on that phase of world affairs as well.

Mr. Stick: Mr. Chairman, the debate on defence is one of the most important debates that comes before parliament. I have listened with a great deal of interest to the speeches made thus far. Particularly I should like to make reference briefly to the speech of the hon. member for Rosetown-Biggar. I should like very much to agree with everything he said, and there is much with which I can agree, but I cannot agree with any letting down of our guard as far as the security of the country and its people is concerned. Peace does not rest with us. Russia can have peace tomorrow on most favourable terms if she desires it and she can also have war. Whether we have peace or war in this world depends largely on Russia.

It may be news to members of the house that during the 1940's a special committee was set up by the authorities in Russia to study the question of whether they could have co-existence with the western nations or, in other words, whether communism and the free world could live side by side in peace or whether there would have to be war. That committee was composed of some of the most eminent men in Russia at that time. They spent about two years studying the question and brought in their report to the politburo or the supreme praesidium as they call it today.

After studying the question from every angle they came to the conclusion that war between the communist world and the free world was inevitable. You may not subscribe to that and I may not subscribe to that, but that was the essence of their report. It was considered by the ruling body in Russia and was accepted. Furthermore, they set three dates when war would be possible, 1952, 1954 and 1956, but they made the provision that circumstances might arise in the course of the timetable they had set which might extend their recommendations to 1960.

Anybody who has studied and followed Russian methods down through the years can readily see, Mr. Chairman, that right along they have been basing their policy on that report. They have tested the west on more than one occasion. They have tested our preparation to resist in Korea. From Korea they went to southeast Asia and now they are testing us in the Middle East.

On the basis of this information, what are Canada and the free world going to do? It is a well known fact, and it only needs to be stated to be believed because it has been

stated time and time again, that the communists mean world domination and unless we accept peace on their terms we must provide the resistance by which our people may continue to live in a free and democratic way as we are doing today. This raises the question of what we are going to do regarding defence. This is a defence budget. This is a debate on defence, and the whole safety of the nation is bound up in it.

I come from the province of Newfoundland and we have problems there that probably do not apply to the provinces inland. Furthermore, we know what war is at first hand. One only needs to remind this house that we had the submarine menace all around our coast during the last war. From our coast we have seen actual sinkings of ships by German submarines. We have had submarines around our coast since then. A few years ago we had five Russian submarines around our coast. We had reports during the past summer of many submarines—I will not say what they are because I have not that definite information—around our coast. They were reported around our coast continually during the whole summer. I am not so naive as to believe that those submarines were there for friendly purposes.

I raised the question in this house with the Minister of National Defence and let me say that I received from him the greatest co-operation which I appreciate immensely. At his invitation I discussed with him some of the problems which we must face on the east coast, particularly Newfoundland. At his request I wrote to him and gave him my views. He acknowledged that letter in a very nice way and said that he would take the matter up with his department and look into my proposals. I do not propose to quote from my letter to the minister in any way with regard to security but perhaps if I quote some parts of it this house may be given some idea of what is in my mind. I shall quote some parts of the letter which I think I can quote without involving security. In my letter to the minister I said this:

> The submarine menace to our shipping in case of hostilities is no figment of the imagination but a reality in view of recent events taking place around the shores of Newfoundland for some time. When it is known that Russia has about 500 submarines, numbers of them of the latest model, the danger to our shipping is apparent.
>
> I should like to point out that Newfoundland is very vulnerable to this danger, chiefly because almost all our needs, including food, is imported by water. If this supply is severed, great hardships will ensue and it will be the first duty of Canada to supply our people of Newfoundland with food, etc., and the only way this can be done will be by air.

I made recommendations which I will not specify because I think they can be classified under security but I ended up in this way:

> I shall be happy to further discuss those proposals with you or your officials at any time.

I think that clearly sets out the position in which we shall find ourselves in Newfoundland in case of hostilities. That is not all. In his remarks today—and I shall paraphrase them—the minister gave some assurance to this house that the submarine menace is being taken care of. But shortly afterwards he also said that the submarine menace was receiving the most careful consideration. I agree with the minister in what he said there. I do not want this house to take my word alone with regard to the seriousness of this submarine menace. I shall quote two or three articles and I shall be as brief as I can. This statement is by Field Marshal Viscount Montgomery. It is from Chatham, England. The article states as follows:

> Field Marshal Viscount Montgomery, Deputy Supreme Allied Commander in Europe, said that control of the seas still is more important than guided missiles.

I have here a report from Paris which reads as follows:

> U.S. Admiral Jerauld Wright warned today that Russia is building a huge navy designed to isolate North America from Europe and destroy the North Atlantic Treaty Organization . . .
>
> The Admiral said that Russia has developed the largest submarine fleet ever known in peacetime.
>
> Moscow is building a navy larger than all the others in the world combined except for the U.S. navy, he said, for the purpose of "the isolation of North America from Europe, the defeat of NATO at sea and therefore the destruction of our alliance".

I think I have said enough to draw the attention of this house to the seriousness of the submarine menace. The latest designed submarine the United States had, powered by atomic energy, left a year or so ago to manoeuvre. I think she left in the vicinity of the Azores. She was to penetrate the defences of North America within certain defined limits in order to test the defences against the modern submarine. She set out on her course and was detected by the anti-submarine detection of one of the United States destroyers. However, she promptly got away from it. She penetrated all their defences, surfaced around Cape Cod and then wirelessed to the authorities what she had done. If she had not been circumscribed and kept within limits—she could not go out of those limits—she could very easily have evaded the destroyers that sighted her by their detection devices. But she was within those limits; and even within those limits she penetrated all the defences we had —that was about a year or so ago—and then she surfaced.

I look upon defence against the submarine menace as vital to the safety of Canada. I look upon it as vital to the safety of the troops overseas and the supplying of our allies. This morning the minister said something with which I agree and I again paraphrase what he said. He stated that we cannot in the first phase of war by sea use our shipping. I agree with that statement. We have Canadian forces overseas. We have allies in Europe, particularly in Great Britain. We are vulnerable to the submarine menace. We in Newfoundland shall need food in a very short time if hostilities break out. From what I can understand, Great Britain today has only about three weeks' to one month's food supply on hand. If this submarine menace is as dangerous and threatening as I have tried to point out, and as I believe to be absolutely true, then the only way in which we can supply the province of Newfoundland and our allies is by air. That stands to reason. We have not the facilities with which to do it and it is time we woke up to the fact that we should have them.

This is a point about which I am greatly concerned. I think the authorities here, particularly in the higher command, must wake up to this fact also. We have co-ordination in our forces and I am glad to pay tribute to it. I believe we have good co-ordination in the lower ranks. However, I am not too sure that we have it in the higher ranks. When you hear retired generals criticizing what the higher command does, and in no uncertain terms, one is left to wonder what is wrong with our higher command. I am not against differences of opinion between the army, the navy and the air force and even within those services; that is all to the good, but when those services are shown up before the general public as being inadequate and not only the general public but the members of the forces themselves realize this indecision which is taking place in the higher command, how can you expect the morale of our troops to be kept at the pitch which we all desire?

I think it is high time that our higher command got together. I do not care whether they call in General Simonds or General Macklin or whoever they call in, but I think they should get together and iron out these things and tell this country where we stand. This uneasiness with respect to our higher command today is penetrating down to the ranks and it is having an effect on the morale of the troops. From what little knowledge I have, it would seem that some of our troops in the different services are seriously considering giving up their careers and going back into civilian life because they are afraid they are going to be disbanded and cast out upon a cold and hungry world with no prospects of work.

Now I have one final word to say on this united command. I may take a different attitude from some of my colleagues on this side of the house. As you know, we have in Newfoundland the United States strategic air force and in that province we are dependent principally upon those forces for our defence. Let that be understood, there is no mistake about it. Now I asked the minister who would give the orders to this strategic air force in Newfoundland in the case of an emergency when it would have to go into action and the minister very courteously informed me that this strategic force would get its orders from St. Hubert. Well I have nothing against that, but I understand the headquarters of the strategic air force is in Colorado Springs. Then we have another command in St. Hubert and we have this air force operating in Newfoundland and I think also in Labrador, certainly in Greenland.

Now my suggestion to the minister, which I put in all sincerity, is that he should, without any waste of time, look into this business and get it ironed out so that everybody will know exactly where they stand. If General Partridge has the authority to order action on the part of the United States forces or the Canadian forces—I do not care whether it is on Canadian or United States territory then he should not have any strings attached to that authority in the case of necessity. He should have full authority to issue orders immediately without having to wait to contact Ottawa, or contact the minister or the Prime Minister and then have them contact St. Hubert and St. Hubert contact the forces in Newfoundland. We are getting into a state now where I think war is liable to take place and if you give authority—I do not care whether it is to an United States general or a Canadian marshal as long as you think the man is fitted for his position—then I think the time has come for instructions to be given to him in such a way that there will be no waste of time but that he should have full power to order troops into action without having one hand tied behind his back. He should be in a position to act immediately if an emergency arises. I do not care whether the forces fly over our territory or over United States territory so long as they do a good job in defending the people of the North American continent.

I think what the minister has done is to settle political questions before setting up the co-ordination of his military responsibilities. May I say in all sincerity that I

think he has put the cart before the horse—whether it was done by the former government or his government is immaterial to me but he has now settled political questions before military ones which I think is wrong and the first step should be the setting up of the military command. I ask the minister, for the safety of the people of the North American continent, to get this question settled and settled quickly so that there will be no trouble in the event of hostilities and there will be no waste of time.

I have one further suggestion to make and that is with regard to food supplies in Great Britain. Our western friends may appreciate this point. If Great Britain is to be an ally and to play her full part in NATO she cannot do so unless she has food. Now I make this suggestion for what it is worth: I think we should help Great Britain by putting food supplies in that country, and I include grain and other things, which would last between four and six months and which could be stored in case of emergency.

Some hon. Members: Hear, hear.

Mr. Stick: Furthermore, I suggest that Great Britain should use those supplies as she needs them day by day and they can be replenished as necessary. I say this because I am convinced if these hostilities should arise, then automatically it becomes obvious that we shall have to supply Great Britain with food and the only way to do so would be by air. Well, we do not have those facilities today with which to do it. It may also be a means of helping our western farmer to dispose of some of his surplus grain and it will certainly be of great assistance to Great Britain to have food stored against a possible emergency and to be able to use that food as it is needed. Not only will it be helping Great Britain, but we will also have an ally who will be able to fight and will not be half starved.

Mr. Johnson (Kindersley): Mr. Chairman, I do not think there are too many points which could be added to those raised by my leader, the hon. member for Rosetown-Biggar, in his excellent speech this afternoon. I do believe however that his point of view should be buttressed as much as possible in order that it may be given full consideration by the government, because I think there is a definite need which is becoming more apparent by the day for a review of the role filled by our Department of National Defence. I think we have to get away from the Maginot line philosophy which was enunciated by the hon. member for Trinity-Conception where we think in terms of a 1914-1918 war or a 1940-45 war. We now have to gear ourselves to developments which have taken place within the last month and a half and consider the effects which those developments have upon our defence.

When the Minister of National Defence was first appointed to his post I fully expected he might follow the pattern set down by Great Britain in the announcement that there would be reductions in the defence expenditures. At that time, I think, a lot of consideration had in fact been given to this point. However, shortly after he took office an announcement was made that a lot of his criticism had been unfounded and that there would be no significant changes in the defence expenditures. I think at this time, as pointed out by the hon. member for Rosetown-Biggar, it is virtually impossible to make any significant changes in the estimates because the greater part of the year has passed by and it would be most difficult to make reductions in expenditures which would be meaningful.

I believe the comment of the minister, when he was asked to remark on the launching of the Russian sputnik, was that it was "out of this world". I think that comment was something from which we should take our keynote and start gearing our defence thinking to procedures which might, at the moment, seem to be out of this world, but which will be upon us in the very near future.

We already see newspaper speculation about the date of the launching of a rocket to the moon. There is an indication that in five or seven years they may be able to construct manned satellites capable of going to Mars and returning. This seems as spectacular to us now as the invention of gunpowder might have seemed to someone in prehistoric times. We must be aware of the tremendous developments which are taking place in the applications of science to the techniques of destruction, and I think we should ask ourselves just where Canada stands in this great arms race between Russia and the United States. It seems to me that we are in the position of a kindergarten pupil running in the senior foot race. Yes, we get there, but we are so far behind that we might just as well not be in the running. I mean by that, of course, that with our limited resources we can never hope to compete against the scientific development which goes on in the United States and in Russia.

I think an example of this could be cited in the Arrow, the CF-105, which, I believe, cost us over $200 million and perhaps as much as $300 million to design. It has been admitted that this plane is virtually obsolescent before deliveries have been made. We cannot possibly derive much pleasure from the thought of spending $200 or $300 million

upon an aircraft which is obsolete. I recognize immediately that in the course of experimental research expenditures are necessary, and that all the expenditures do not pay dividends. But I think we must consider the effectiveness of this expenditure, because Canada over a number of years has spent billions of dollars—the present estimates cover an expenditure of $1,700 million—and can anyone here honestly say that through the expenditure of all this money we now have a defence. We are all aware of the fact that we depend on the strategic air command of the United States for our defence and for the power of retaliation in the event of attack. We are dependent also on the forces of NATO to provide the unified defensive force of the western world.

Having in mind the startling scientific developments which have taken place abroad, and thinking of the jet bombers now being flown by the strategic air command, we can very easily ask ourselves just what is the role of manpower, or what is the limitation of human beings in future air warfare. Air Marshal Joubert of Great Britain recently wrote a book on rockets in which he dealt extensively with the developments which have taken place in Germany, in Peenemünde, beginning as far back as 1934. He gave evidence to show that had Hitler been as impressed by the technique of rocketry as he was by more conventional aircraft there might have been a tragic difference in the outcome of the second world war.

Air Marshal Joubert asks: what is the limitation on a human being? We find that in aircraft travelling at many hundreds of miles an hour, one, or even two pilots cannot cope with the machine because of the tremendous speed reached and the comparatively slow reaction time of a human being. We are wondering just what is the role of the piloted aircraft in the face of the development which will be taking place in the next three or four years.

Over the past number of years we have prided ourselves, or at least some hon. members have done so, over the radar defence lines, the mid-Canada line, the "Pinetree" line and the distant early warning line. We may very well ask ourselves now how effective these devices will be in face of the intercontinental ballistic missile or the intermediate ballistic missiles. I believe the present radar installations are limited to a range of 70,000 feet. How effective are they going to be in detecting a missile travelling at an altitude of three or four hundred miles?

I have a feeling that our defence budgets over the years have been drawn up by the generals, the field marshals and the admirals. I think it is very understandable that as they go through the echelons of these various services they should make efforts to maintain establishments. As the budget is drawn up, a certain colonel is going to try to maintain his establishment; he does not like to see his position made unnecessary. I think there is an undue amount of pressure applied for the sake of maintaining establishments which no longer perform their role in the defence of this country.

I should like to endorse to the best of my ability the suggestion which was made by my leader, and which has been made repeatedly in this house by members and supporters of the government when in opposition and by present members of the opposition, namely that we should establish a defence estimates committee to enquire into all aspects of the expenditure of these huge sums of money. I think this is most necessary, and that any consideration of defence expenditures should bear in mind not only military aspects of the matter, but that economic and political considerations should be brought to the forefront.

Speaking as a layman on military matters, and that is in fact what most of us are—I am one who did most of my military work as a foot slogger—it appears to me that one development which can be made toward the modernization of our armed forces would be to unify our armed services. I can see that in former wars there was need for an army, a navy and an air force because each was performing a specialized role. But today, with the development of the hydrogen bomb and nuclear weapons, I think consideration could be given by the government to the unification of all our armed services under one command, whether it is to be called the defence force, the armed service force or anything else. I think economies could be made administratively by this means, and I think, also, that a decision such as this would assist in establishing the chain of command.

One obvious argument in favour of this suggestion is the present situation in the United States where there is great rivalry between the navy and the army as to which service is going to launch the first successful rocket. This has led to the ridiculous situation where two branches of the armed services of a country are competing against each other instead of pooling their knowledge, and I have a suspicion that we Canadians are not completely immune from the criticism which must be directed against such folly.

It would seem to me that with the developments which have taken place in the last few years the question of manpower has become

relatively unimportant. It is true that in terms of small localized wars men are necessary, but manpower will not win wars against nuclear weapons. The suggestion which has been made by this group is that a United Nations police force be established to provide sufficient manpower to control any localized outburst or any small wars.

We must look upon nuclear weapons as provoking all-out war or none at all in view of these technological advances. I think, too, that in future estimates a second look should be given to the role of the militia in Canada. I notice that announcements have been made indicating changes which are being proposed in the role of the militia. We might as well face the fact that they can throw away all the old British 303 Enfields and Sten guns because they will never have the opportunity of using them.

When I visited NATO headquarters in 1954 I had the pleasure of hearing Field Marshal Lord Montgomery address us and he pointed out at that time the hopelessness of getting a militia trained in time to go into action in a modern war. It would require at the least three months to get a militia man trained so he could take part in modern combat. I think most of us are of the impression that if a nuclear war is launched we will not have three months for preparations of this kind.

The militia might very well be geared to playing a most useful role connected with civil defence. They should be provided with radiation indicators so they would be able to determine if in fact radiation were present to a harmful degree. They should be trained to fight fires and to deal with similar local emergencies. If this were done they would be fulfilling a useful role and I am certain that those who are members of the militia would be happier to know that they in fact had a more vital part to play in the defence of Canada than is the case at the present time.

It would seem also that a suggestion could be made related to the example of NATO. In NATO we as nations have each given up a bit of our sovereignty for our common defence and I think Canada's role in defence could be given further consideration in the light of this fact. We cannot ever hope to compete against the United States and Russia in the arms race but it would appear to me that if some agreement could be arrived at where we as a country were to specialize in some particular phase of defence we would be making an even greater contribution to the common defence of the western world. If we were to concentrate on the various aspects of rockets and if the major portion of our defence role were to be geared to scientific development perhaps in the long run we would achieve further protection. I believe we must be careful, however, in any such arrangement to safeguard some aspects of our sovereignty in that no foreign power should be allowed to involve us in a war without our consent. That is the point at issue in discussions of NORAD at the present time, the concern that the United States might possibly control certain Canadian forces.

I want to emphasize again the request that future estimates of the Department of National Defence should be reduced to give consideration to the new look which we are presently taking in external affairs and which we should also be taking in terms of our defence expenditures. Recent scientific developments have produced a tremendous change and we should not be trapped into a Maginot line philosophy. We must put ourselves in a position to progress with the times. This will require a re-allocation of defence expenditures a larger portion of which of necessity must be channelized through our universities in the form of scientific research which along with giving us military defence will assist in the progress of our country and of humanity in general.

The second prong of this approach, as it were, must be to give further consideration to abolishing the causes of war. As we look back through history we find that war in the main has been caused by greed, hunger and oppression. As long as we can look around the world today and see countries which are in a relatively backward state who look with envy at the advanced standard of living that prevails in western countries we are leaving the door open to a furthering of the causes of communism. Discontent will exist in those countries and the forces of communism will be received only too readily. It is the challenge of the western nations to fulfil their responsibilities to these countries of the world which are sometimes referred to as backward—but which are more accurately described as underprivileged—which have been dominated by other countries over the centuries and now have a lower standard of living than ours. We must give consideration to applying some of our defence budget to the supplying of food to these countries through our national organizations and the United Nations so the prevailing standards of living can be raised in these countries and they may become real allies of free humanity.

Mr. McLeod: Mr. Chairman, other speakers have covered in a general way much of the ground I intend to cover and I agree with most of what has been said. The hon. member for Rosetown-Biggar in his remarks brought out some excellent points worthy of the careful and earnest consideration of this

committee but I would say to him and to all hon. members that we must face the difficult international situation with our eyes open. Idealism will not counter communism and the outstretched hand must be backed by strength when it is offered to one who for years has shown no disposition to accept a hand that is offered in peace and good will.

I listened with a great deal of interest to the outline of our position as given by the minister this morning. I will give his statement very close reading tomorrow and I am sure we all will have a much broader knowledge and understanding of the condition in which we find ourselves at the present time. I did observe that he referred at length to the part we play in the Far East, the Near East, the Middle East and NATO. We are glad to know that our nation is taking its rightful place in defence of the western nations. These are important considerations from an international point of view to prevent aggression and to demonstrate our preparedness to retaliate effectively and promptly in case of attack but I believe our people are more intimately concerned with the possible direct attack on the North American continent and will not be satisfied until they know that no effort is being spared to guarantee the greatest possible degree of defence in the face of modern methods of direct attack. Future attacks, we believe, will come from long-range missiles, long-range bombers and long-range submarines and these may be based miles beyond our borders.

In the face of that, Mr. Chairman, our people want some assurances that very careful attention is being given to this possibility by our defence department and that science is being mobilized to the full to study and to try to find an answer to this very serious problem.

Now, in regard to the estimates proper, it is hard to get down to details when we find that an immense amount of $1,670,000,000 is lumped in one item. It is impossible, as I said, to give any detailed consideration to those estimates and therefore we must deal with them in a very general way. However, when we are considering the expenditure of such a large sum of money—and the taxpayer's money—we who are the representatives of the taxpayers in this house have the responsibility of seeing that this expenditure is given careful consideration. To do that job intelligently, Mr. Chairman, we must have information.

It is certainly discouraging when we find ourselves in the position in which the Minister of National Defence found himself some months ago when he assumed the important office which he now holds. Shortly after assuming office, according to the press, he is reported to have made a statement along these lines: "My criticism of the Department of National Defence in the past was based upon lack of information". This is another way of saying that it was based on ignorance of what was going on. I am not using the word "ignorance" with any personal implications; but I am emphasizing this point to show that we members of this house must be kept informed, and it is to the government of the day that we look for this information. But, Mr. Chairman, I am sorry to say that under this present administration, although we were promised greater personal responsibility as members and greater responsibility as a parliament, we find that we are kept in the same state of ignorance as we were when the Liberals were in power. According to the old saying, ignorance is bliss; but in matters that affect our international relationships and our national well-being and our people's pocketbooks so much as does this national defence spending and national defence policies, we should not be kept in ignorance.

The people of Canada do not object to heavy defence spending, provided they are satisfied the department is looking after their defence efficiently and is giving value for the money spent. In order to keep our people satisfied there must be a feeling of confidence in the administration which can only be fostered by giving out a reasonable amount of information of what is being done. We do not expect that many of the secret arrangements which are being planned among the various top officials of the different organizations to preserve and to defend our western nations should be given to us. We are not looking for that kind of information; but I would say to the minister that we as members of parliament have, I think, passed the age when we may have been looked upon as juveniles. I do believe that we are responsible and are able to decide in our own minds that which can be given, that which can be publicized and that which cannot.

In order to see that that information is given to us I would certainly support the recommendations that have been made by every speaker thus far for a committee on national defence. That committee, Mr. Chairman, should be a permanent committee; it should not be too large. Besides studying the policies and the expenditures of the department, it could also act in an advisory capacity to the minister of the department which means so much to us and to our future welfare. Our party made the same request in discussing our external affairs problems and we think that in those two fields, so closely

linked, the parliament of Canada should stand united. To do so, though, parliament must have some say in formulating policy and in carrying out that policy. I mentioned the two fields of defence and external affairs as being closely linked. I would go farther, Mr. Chairman, and say that they are interlocking. For that reason certain aspects of our integrated defence policy with the United States give us cause for alarm. We, as a proud and aggressive people, are jealous of our sovereign rights. We have bravely and boldly stood for those rights since confederation and I hope it will always be our guiding principle in dealing with other nations.

Expressions have been made by responsible officials of a foreign, though quite friendly nation, that under integration we shall have lost some of those rights. I am glad to note that our Minister of National Defence and our Prime Minister have repudiated those statements; yet I am sure that in the minds of all of us we cannot conceive of such a responsible member of another government making such statements unless there was basis in fact for those remarks.

I am going to say with all the force at my command that we are in favour of integration. We believe it is one way to make the best use of our defensive power, but we say that it must be a temporary arrangement and one which is not irrevocable. Then, since it is so closely linked with our external affairs, the whole plan should have been worked out in conjunction and consultation with the Department of External Affairs.

Instead, what do we find? We find the same ignorance on the part of the Department of External Affairs that I say we as members of this house are faced with when we are giving consideration to the estimates of the department. I am going to refer to an article which appeared in the Ottawa *Citizen* of December 4 in its report of the session of the committee on external affairs. I am going to read just briefly. It appears that the Secretary of State for External Affairs was being interrogated about the progress that had been made and negotiations, if any, that had been carried on. He is reported as having said that his department was not concerned.

The word "concerned" there is in quotation marks. I cannot countenance that the Secretary of State for External Affairs of this country would say that his department was not concerned in such a state of affairs. I am sure there must be something wrong despite the fact that the word "concerned" is in quotation marks. In any event, the Secretary of State for External Affairs said that his department was not concerned in the arrangements that had led to the establishment of the command. If that is a fact, I think it is one of the most serious things that parliament must face and consider at the present time.

We have also heard that negotiations are taking place at the service level and with respect to that the minister replied that negotiations were being conducted at the service level and that the two commanders are now working out recommendations on the basis of which there will be an intergovernmental exchange of notes specifying the command's terms of reference. Apparently that is right because I believe that is what the Minister of National Defence said this morning, that the top officials of the military organization are working out the plans under which this integration shall take place. One member who just spoke said that the cart had been placed before the horse and I think he used a very apt expression to describe these negotiations.

To me, Mr. Chairman, this is a most serious reflection on the Department of External Affairs when we see something that will affect the political well-being of Canada for years to come being handled by the military authorities. In fact, it would appear that the service commanders are now drawing up political terms which when completed will be turned over to the two governments. That is something which must not go unchallenged. In fact, it is a challenge to the civil authority which must always remain supreme. The Department of National Defence, responsible to the government of Canada and through it to the people of Canada, must take no action to override the civil authority.

We can look back through the history of Britain and the history of Canada since confederation and see that the civil authority has always been supreme. Now we have a serious threat that our military officials are going to dictate to the civil authority of Canada plans and policies which will become effective and which will govern us to some degree for many years to come.

Mr. Mitchell: Mr. Chairman, I feel I might be allowed to say a few words in the debate on the estimates of the Department of National Defence. However, in so doing I do not intend to set myself up as a military expert in any way or even a critic of national defence. My remarks are going to be of a much more local nature, in fact, so local that they apply only to the constituency I represent. I am sure the minister can almost foretell what I am about to mention as he has been spoken to in this regard before. I hope he does not feel I work under the principle that the squeaking wheel gets the grease, although I will admit it has certain merits in certain places.

I want to ask the minister and the department to give serious reconsideration to the matter of certain moneys which were in the estimates brought down by the former minister of national defence last spring. Certain moneys were set aside for the building of very necessary accommodation in Sudbury. I am sure the minister had a first-hand opportunity to see the trying conditions under which the military people in our area are working when he paid us a visit on November 10 and graciously assisted in the unveiling of a new cenotaph.

There is a unique situation in the city of Sudbury regarding the proposed building and I should like to bring it to the attention of the house. I think hon. members will all agree that as soon as a suggestion is heard in a community that the government intends to buy some property for the erection of any kind of building the land automatically goes up in price, possibly to a great many times its real value. Such is not the case in our city. A few years ago a public-spirited citizen donated a parcel of land amounting to approximately 5.6 acres for which he paid $10,000. The land is now being held by the crown and the stipulation was made that an armoury would be built thereon. The land was received in the Queen's name by the previous minister of national defence, and in his estimates of last spring he attempted to fulfil his promise to make the building a reality.

I understand that the Department of Public Works feels it is being overcharged most outrageously for the properties now being occupied in view of the accommodation that is supplied. A year ago I was asked to intervene in the matter to see if the owners of the buildings would reduce the rent. I may say I was successful in having it reduced somewhat but I also feel that the rent is still exorbitant. Of course, the owners of the buildings take the view that they are not particularly anxious to rent them for the purpose for which they are now being used and as far as they are concerned they feel they would receive a greater monetary return from new buildings which they would be pleased to construct.

Unfortunately, the property now being held by the crown is affected by a proviso in the agreement of sale between the former owner of the property and the gentleman who donated it to the crown and that proviso is that if an armoury should not be built on this location the land will revert to the original owner at the original price. This land has been examined and tested by the engineers of the department. I am not prepared to prove this but I understand that plans were drawn up for the erection of the building but they are now pigeonholed.

[Mr. Mitchell.]

The reason I am on my feet today is to make a serious appeal to the minister and the department to reconsider their decision not to erect this building at the present time. I feel that we will lose the property which was given to us for this purpose if action is not taken soon and I also believe that we are paying an exorbitant rent for the premises now occupied. I am deadly serious about this request to the department and I hope the minister will see fit to reconsider the matter very shortly.

Mr. McIvor: Mr. Chairman, I have a brief word. I appreciated very much the Minister of National Defence allowing us a few days ago to hear one of our distinguished generals. By the outlines on the charts, and we can see those outlines yet, he showed us what Canada was doing and what it was prepared to do. The reason I rose at this time is to say that it is not aeroplanes that win the war. Neither is it submarines or bombs. I ask what it was that defeated Germany in the last war. They had the best equipped army in the world. They had more aeroplanes and more submarines than any other country. They had everything that would indicate that Germany was going to win. Why did Germany not win? If they had had more aeroplanes, would they have won?

A call went out across the country, Mr. Chairman, for a day of prayer. That was a big day not only here but in other countries. What happened? Germany made three outstanding mistakes. The Germans were clever. Germany was supposed to have the best brains in the world. Our students used to go there in order to complete their education, as they thought; but they did not do so. What were the three mistakes? After Dunkirk, when the allies were beaten, the first mistake they made was that they did not wipe England off the map. Why did they not do so? That was the first mistake they made. The next mistake was Pearl Harbor. Why was the attack made on Pearl Harbor? The attack was made because they thought it would help win the war. But what did it do? It brought the United States wholeheartedly into the war. The third mistake they made was that they attacked Russia and kept on attacking her with the result that they were finally beaten. I can hear so many in the opposition saying "Too little and too late"; but you are never too late when God is first and when your men rally behind you in the way our Canadian youth did. That is why we won the war.

Mr. Blackmore: In following the fine rousing remarks of the hon. member for Fort William and the equally fine remarks of the hon. member for Trinity-Conception as opposed to the spirit of fatalism and of defeat breathed

by the hon. member for Rosetown-Biggar, it seems to me that it is fitting that just a few more things be said. If we say that we simply cannot win and if we give up, we do not give the Lord a chance to play a part at all. We may not be able to do very much when we start, as was the case in the battle of Britain in world war II, but if we do all that we possibly can and if we rely on the God of battles, we shall have a chance of winning. My feeling is that it is very much the same as we approach this dreadful crisis in world history, the worst the world has ever known.

It seems to me also that we should give a little bit of thought to another matter which was referred to indirectly by the hon. member for Trinity-Conception. I refer to the kind of people we are opposed to. Most people think it is the Russian people we are opposed to. That is the last thing in the world we are opposed to. We are opposed to the group of men who conquered Russia in the so-called revolution back in 1917, who now rule Russia with an iron hand and who intend to extend that sordid rule over all the people of the world. There is no use in talking about co-existence with those people. With them it is all or none. They talk co-existence but it is the last thing they think of.

May I refer to the remarks of three of their leaders. I mention Lenin first. In 1923 Lenin announced to the world—or so it would be announced to the world—that it would be unnecessary to defeat the United States in a military way, that she would fall into their hands like an over-ripe fruit. All that is necessary is that enough people in Canada and the United States speak as did the hon. member for Rosetown-Biggar, and the whole of North America will fall into their hands like an over-ripe fruit.

The next communist leader who said a most significant thing in this respect was Manuilsky. This man, if I recall it correctly, spoke in 1930. He said this—these are not his exact words; I am not quoting; I am speaking from memory—"We will put on a peace offensive which will surpass anything the world ever saw and when we get them all softened up we will smash them with the iron fist". If the hon. member for Rosetown-Biggar had wanted to play right into Manuilsky's hands or into Lenin's, he could not have done it better.

The next man is Khrushchev. I cannot remember just exactly what it was that Khrushchev said, but fairly recently he made a remark which I have already put on the record in times past and which did not in any way indicate that he had receded from the position of Lenin and Manuilsky but rather that he was following on as a member in the team, aiming to accomplish the thing which the other two had foretold. Let everybody bear in mind this most important matter.

May I repeat once more that we are not fighting the Russians; we are not fighting the Chinese; we are not fighting any of the people who have come under the domination of the so-called communist organization which is another outfit entirely, parading under the mask of communism. We are not fighting the peoples who are their fronts; we are fighting the men hidden behind communism. Let us never forget that fact.

While we are on the subject may I suggest to the Minister of National Defence that, with all the ardour of his being, he impress upon the leaders of the United States, Great Britain and the other NATO nations that if they do not single out those men in their governments who are agents of that group of people who are behind communism it will do no good at all to find out new secrets, because those secrets will be in the hands of Moscow before we ourselves hear about them.

I have taken occasion to refer to this matter two or three times in the house previously. Some people have supposed that there is nothing to what I have said. May I say that it will be a great deal better if they can learn now than at some later time when they will say, "Oh, if I had only known". It could have been known but they were just simply too narrow-minded and blind to listen, so that they could have been told.

May I urge upon the minister that he take the utmost care with regard to this matter. Let me remind him that immediately after the first satellite went up from Russia, Gouzenko who is in a position to know a great deal more about the matter than does anybody in this house or probably anyone else in this country, announced to the people of Canada and the United States, as far as he could cause his voice to be heard, that the Russians had put the first satellite into the air because the secrets which the United States and Canada had discovered had been transmitted to Russia by people imbedded in the administrations of our countries. I saw that statement in at least two papers.

Let me urge the minister,—and I do not think I need to do so—that he pay no attention to those who join in this cry of defeat. He will find plenty of them; he will find pretty nearly every C.C.F. member and every socialist in the country among them. Pay no attention to those people; pay attention to the people who believe in Canada, who believe in the British flag and in the British people, who believe in the future of Christianity and who believe in the future of freedom. He should put everything he has got into his task and, if it becomes

necessary, as indicated by the hon. member for Fort William, at some future time to call a day of national prayer let him not hesitate to do so. As has been so very well stated by Tennyson:

More things are wrought by prayer than this world dreams of.

And I think that there is a statement in the Bible by the Lord saying:

I will yet for this be enquired of by the house of Israel, to do it for them.

That is all I will say on this matter at the present time.

Mr. Carter: Mr. Chairman, I am aware that the estimates now before the house were prepared by the former administration and, as a supporter of that administration and of that party, I naturally support these estimates. We have before us expenditures of over $1.7 billion for various kinds of military offensive and defensive weapons. We all regret that so much money has to be diverted into unproductive channels when it could be used in so many other ways for human betterment but we realize that this expenditure for military weapons is necessary even if some of the equipment becomes obsolete before it becomes operational.

It is right and fitting that we should make every possible preparation for possible war—a war which we hope will never come—but it does cause me some concern, as it has caused me concern every year since I have been here that we should make an effort to provide for war which does not exist at the present time and yet seem to be so unconcerned about a war which does exist at the present time, a war which in fact has been going on continuously for the last 40 years and which has recently entered a new and decisive phase. I refer, of course, to the war of ideas.

We have become almost panic-stricken because soviet Russia has taken away our lead by launching sputniks and guided missiles. Yet, on the other hand, we are extremely apathetic, complacent and indifferent about an even more deadly weapon, the communist ideology, to which I understand my hon. friend from Lethbridge was referring a few moments ago. Military weapons are not the only means of fighting a war or of protecting ourselves against war, there are political weapons and economic weapons. In soviet Russia, however, military, economic and political weapons are all controlled by and subordinated to their ideology. Our hysteria about the sputniks and the ICBM's is exactly what Russia wants at this time because it diverts our attention from their ideological weapons upon which they are relying for ultimate victory and it diverts also our attention from the necessity of developing ideological counter weapons of our own.

The word ideology is one which we use with a certain amount of discomfort. We do not seem to have any very clear idea of what it means. We use it in a casual and offhand manner, but we do not take the trouble to analyse or to dissect it and we are very often content to confuse it with idealism, as did my hon. friend from Macleod when he spoke earlier in this debate. An ideology is an idea in action; an idea that includes a plan for remaking the world; an idea that has become a force because it has captured the hearts and souls of human beings to such an extent that they are prepared to give everything they have to assure its triumph. Over the years the anti-democratic countries have perfected ideological weapons, techniques and strategies; they have won many countries with the force of their ideas alone and without firing a single shot. We try to counteract that purely by military political and economic means.

By means of their ideology the communists can achieve and have achieved the following objectives and during the period of co-existence it is upon the achievement of these objectives that they rely for ultimate victory. Now the first objective they seek to attain is to destroy and weaken our belief in the central values which the democratic nations wish to preserve and endeavour to defend. What are we doing to counteract that? What are we doing to build up our defences against it? The second objective is to undermine confidence in the ability and the moral integrity of national leadership, that is, of all politicians, military and administrative leaders and those with whom the citizens are in contact and who have their confidence. The third objective is to weaken the ability and the willingness of a nation to co-operate for common aims by destroying group solidarity. In the fourth place they seek to destroy the peoples' psychic equilibrium and personal adjustment to existing conditions.

These objectives are being achieved by the communist ideology right here in Canada, and that is something about which we cannot feel too complacent. As the hon. member for Lethbridge pointed out, it is not necessary for everyone in a nation to be a committed communist; Lenin took over Russia with only 11,000 of them, a hard core of 11,000 people committed to his ideology. I am told by a reliable source that there are about 8,000 committed communists in Canada at the present time. When we consider the defence of our country we must consider all aspects of defence, not the military aspect only.

The minister pointed out that our policy is based on collective security within the framework of NATO. That collective security is only as strong as NATO's ability and will to resist and to act decisively; it is only as strong as NATO's unity. And what is NATO's unity based on today? It is based on fear, and it is hardly strong enough to withstand the internal stresses and strains of conflicting self interest among member nations. What NATO needs primarily, and what we need, I think, to contribute to NATO is a positive and moral ideology which is capable of counteracting these objectives which I listed a few moments earlier, and capable not only of resisting them but of taking the offensive against them.

The original idea of NATO as a temporary shield while defences were mobilized was sound, but the present idea of NATO as a permanent Maginot line is unsound and that is what NATO has developed into, a ring, as we have been told, of 250 bases. The only difference is that we have armed this modern Maginot line with nuclear weapons and guided missiles instead of the conventional weapons of the old Maginot line. But the fundamental idea is the same, and it is unsound.

In the ideological war, as in the war of arms, the best defence is attack, and in the war of ideas NATO must therefore take the offensive. Earlier today hon. members have spoken about removing the causes of war. I think the hon. member for Kindersley referred to poverty and hunger as among the factors which caused war, and he spoke of them, in the way most of us do, as though they were something separate and apart from ourselves, something abstract, which does not concern us as individuals. That is not so, and I think that is where we have been missing the boat all along. The mess we are in today in external affairs, in the United Nations, in the Middle East and in all the theatres of the world has been brought about by people who have been regarded as being extremely practical. One of the reasons why we have not come to grips with these problems is because we have lacked a positive ideology, and we have lacked a positive ideology because we have thought of these things in the abstract without relating them to ourselves. To develop an ideology we should begin, of course, with ourselves, because as I am so is my nation.

When we, the people of the democratic countries, begin to live out in our lives the things we talk about, then democracy will have an ideology capable of taking the offensive against communism. It would be a good thing, if, as some hon. members have suggested, we could do something about alleviating the hunger in the world. We all sympathize with the hungry nations in Asia; and here we are in Canada with a huge pile of surplus wheat and other food products. It has been suggested that instead of spending money on arms we should use that money to purchase commodities to give to the hungry millions of the world. This, in itself, would be a good thing, but it would not be an ideological move, and it would not serve any ideological purpose because of the very fact that we have a surplus and there is an element of self interest in getting rid of it.

In other words, the situation would be as it was pointed out in an article in the last issue of *Maclean's Magazine* in which the writer described Canadians as we appear to the have not nations of Asia and Africa. They note that when we give, we give selfishly of our abundance and without any sacrifice. It is the total commitment to an idea which constitutes an ideology and which makes it so effective. The thing which attracts people to communism—wealthy people, learned people, scientific people—is not the communist idea itself so much as the commitment of the people to it, that is, the total commitment of the communists with whom they come into contact.

NATO needs an ideology. Some time ago when the bureau of current affairs was set up I thought that might be the beginning of the development of the ideological training of the armed forces. I noted today that the minister said this bureau was going to be discontinued. I am not criticizing the minister for this, because I do not think the bureau of current affairs has ever served the purpose I hoped it would. I have followed its course over the years. It has probably done some good, but nothing which was vital to the needs of the day. I agree with the minister that there are things more pressing and more urgent. But I cannot agree that there is anything more urgent today than the development of ideological training for our services and for our people, and I think the armed services would provide a good starting point.

I was interested in looking over a Soviet news bulletin some time ago in which an explanation was given of the demotion of Marshal Zhukov. I am not going to read all the relevant parts, but I can paraphrase what the bulletin said. What it amounted to was that Marshal Zhukov was becoming less

and less enthusiastic about ideological training in the armed forces. One sentence of the bulletin reads:

> Comrade Zhukov by his incorrect actions reduced party organizations to the status of purely educational organs.

Then it went on to say that the other thing that was wrong with Marshal Zhukov was that he was not personally living up to his ideology but was glorifying himself instead of the party principles which made him what he was. As I said before, I would like to see some concern and some recognition of this need on the part of the Conservative government.

Mr. Coldwell: Would the hon. member permit a question? Surely he is not urging that the government should set up an organization in the army to spread the ideology of the Conservative party?

Mr. Carter: No, I said it should be a moral ideology that is above party, race and creed and that such an ideology is in existence and there are training schools where people could be trained in it. I would like to see some real attention given to this aspect of our defence.

NATO needs an ideology and when the NATO countries develop a positive ideology then they will be able to act in a realm of unity above their divisions of pride and prejudice, above the barriers of their social and national characteristics and above the isolation created by their individual points of view. The starting point for nations as well as for individuals is with an honest admission of past mistakes and failures, honest apologies for the harm they have done, honest efforts to put right what can be put right and an honest appraisal of our motives, past, present and future. With such an ideology NATO could revolutionize the thinking and conduct of the world and without that ideology NATO's policy will always be dictated by events and the events will be dictated or engineered by Moscow.

Mr. Bryce: Mr. Chairman, I do not know whether or not this is the right time to raise the point concerning government tenders for supplying food to the armed forces. In Manitoba today it is only the large packers who are getting such business and I wish to speak about the situation. If this is the wrong place to raise the question I will bring it up again at some other time but it occurred to me it should come under the heading of administration.

I see no reason why a small packer should not have the right to tender for supplying food to the services as long as he can deliver the goods. The little fellow does not pay as much income tax as the big fellow but he does pay income tax. I am not talking about a packer who has just established himself in Manitoba but I am referring to the small packers some of whom have been in business there for 40 years. I wonder if the minister would be good enough to give us his assurance that the small businessman in Manitoba will receive a square deal when it comes to tendering for supplies of food to the armed forces.

Mr. Pearkes: Mr. Chairman, perhaps I might answer that question now. I would point out that our requirements are supplied by the ministry of defence production. We inform the ministry what is required for these services and they let out the contracts. I would suggest to the hon. member that he should direct his question to the Minister of Defence Production when the estimates of that department are before the house.

Mr. Bryce: Well, is there a Minister of Defence Production?

Mr. Pearkes: There is an Acting Minister of Defence Production.

Mr. Bryce: All right, I shall do that. Thank you.

Mr. Pearkes: While I am on my feet perhaps I might clear up one or two of the points that have been raised. I believe we all agree with the hon. member for Rosetown-Biggar that the essential need is to remove, if possible, the causes of war but until there is a realistic disarmament policy I feel we must maintain a reasonable degree of security so that our people can live and carry out their ordinary peaceful avocations.

The hon. member for Fort William, the hon. member for Lethbridge, and the hon. member for Burin-Burgeo have spoken about the ideological aspects of training. It would perhaps be interesting to note that in all units there is carried out a service which to a large extent replaces the work which was being done by the bureau of current affairs and of course the unit officers instruct their men on the day to day events of the world.

The hon. member for Kingston and others seemed to be under the impression that there was some lack of liaison between the Department of External Affairs and the Department of National Defence regarding the arrangements connected with the integrated command of the air defences. The original arrangement started as far back as May 14, 1956 when there was a meeting of the Canadian chiefs of staff and the United States joint chiefs of staff and a decision was made to refer the matter to a joint study group. At

that meeting and all subsequent meetings representatives of the Department of External Affairs were present and that department was conversant with all that was going on. In addition to that, of course, the matter was referred to the cabinet as a whole and, as the Prime Minister stated, it was a government decision to adopt this integrated command.

I wish to assure the hon. member for Okanagan-Revelstoke that I fully appreciate the importance of civil control of the armed forces and under no circumstances will the military be permitted in any way to usurp, or override as he said, the civil authority or dictate to the government of the country. I can assure the hon. member that nothing of that nature is occurring at the present time.

The hon. member for Kingston asked about the question of manpower. Recruiting for all three services has been very good recently and we have the total number of men required to meet our commitments. Of course, there is always a shortage of technical personnel and, as the hon. member for Peace River stated, it is desirable that we give all the encouragement possible to the young men of this country to develop technical and engineering skills. It is for that purpose that research and development grants are made through the defence research board through universities for the encouragement of special projects. Regarding the total of money which is being spent on research at the present time, the estimates show that the sum of $64,796,000 is being spent on research and development. It is rather difficult sometimes, as hon. members will appreciate, to separate research from development but if necessary I could give further information regarding that subject.

The question arose as to whether or not our weapons are obsolete. It is easy to suggest that the weapons of today cannot meet the weapons an enemy may have in the near future. I believe that the weapons we have today are capable of meeting the weapons that any potential enemy has today. I believe our interceptors can intercept any Russian bomber that the Russian air force have today.

We are going one step farther: we are developing this CF-105, which is a supersonic interceptor. It will probably be five years before that CF-105 will be in squadron operation, if it turns out to be entirely satisfactory in every respect. I believe that the CF-105 will then be able to deal with any bomber that the Russians will have five years hence. Of course, it will not be able to deal with the intercontinental missile.

As I tried to point out in the remarks I made this morning, we are members of a team and we take on those tasks and produce those weapons which we consider we are most adapted to provide and whose procurement is within our means. In this partnership team we are providing the manned interceptor to meet the manned bomber. We have not gone into the missile field. The anti-intercontinental ballistic missile will be developed and provided by other partners of our alliance. We hope that there will be an opportunity for us to contribute toward that development, but our particular role in this partnership for the defence of the North American continent is to provide a proportion of the manned interceptors to meet the manned bombers and the best advice that I have, founded on the judgment given by our own military advisers and military advisers from our NATO partners, is that for many years to come there will be manned bombers. In fact, we know, contrary to statements which have been made elsewhere, that the Russians are still developing and producing manned bombers. It may well be, as I stated this morning, that if our deterrent fails and an attack does occur, that attack will be a combination of intercontinental missiles and manned bombers.

It is our sincere hope that the means of dealing with the intercontinental missile will be produced and developed by the time the Russians have any quantity of the intercontinental missile.

Reference was made to our radar line. I know that those radar lines were designed for and are capable of locating the bomber of today and can be developed to meet the bomber of the next few years. They are not designed to meet the intercontinental missile.

Now, there were a number of other questions which were taken up and I understand that we shall be departing to the other place in the near future and perhaps when we leave this general discussion and get on to the details they can be answered in their proper place.

Mr. Broome: If I may have a few minutes I would like to put before the minister a question with regard to armouries.

Mr. Pearkes: I wonder whether the hon. member would take that up when we come to the question of the army and the construction under the army when I shall have my advisers here to give me the details of that question.

Mr. Stefura: I have a few questions but I do not know where they come, whether they come under item 240 or not.

The Royal Assent

Mr. Pearkes: If it would be the wish of the committee, Mr. Chairman, I suggest we follow the procedure of previous years in which, after there has been a general discussion on policy, we took the details as given in the blue book dealing with the main subjects, such as administration, inspection services, navy, army and air force; then, the defence research board, and so on. If that policy is followed I can have my particular advisers here who can give the details. If we were able to start there at eight o'clock it would be most helpful.

The Acting Chairman (Mr. Rea): Do hon. members wish to follow the procedure outlined by the Minister of National Defence? Is it agreed?

Some hon. Members: Agreed.

The Acting Chairman (Mr. Rea): Defence services, departmental administration.

Mr. Knowles (Winnipeg North Centre): I thought the suggestion of the minister was that we would have the general discussion first.

Mr. Pearkes: After the general discussion we will have the discussion of the details and I said I hoped we could start at eight o'clock. I was under the impression that the general discussion was finished.

Mr. Knowles (Winnipeg North Centre): My colleague from Port Arthur wishes to say something.

Progress reported.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Government House,
Ottawa, December 5, 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 5th December, at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
J. F. Delaute
Secretary to the Governor General
(Administrative)

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.

[Mr. Stefura.]

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 for the relief of Joseph Alfred Victor Tasse.

An act for the relief of Claudine Yvette Felicite Cavallero Neely.

An act for the relief of Evelyn Thelma Passineau Uyeda.

An act for the relief of Ronald Victor Turner.

An act for the relief of Charles Frederick Church.

An act for the relief of Sarah Sally Abramovici Schor.

An act for the relief of Eunice Kennedy Standeven.

An act for the relief of Kathleen Louise Blaylock Hall Dunning.

An act for the relief of Mary Hilbert Madge.

An act for the relief of Marthe Helene Le Bel Champion.

An act for the relief of Elizabeth Dermer Boyd.

An act for the relief of Clarice Mendell Uditsky.

An act for the relief of Dorothy Elizabeth Allen Bellenger.

An act for the relief of Mildred Weiner Gordon.

An act for the relief of Theresa Mary Moran Redmond Cooke.

An act for the relief of Siegmund Paul Fritz Matthes.

An act for the relief of Lillian Boyce Suttner.

An act for the relief of Helen May Verner Joyce.

An act for the relief of Lila Redmond McCorriston.

An act for the relief of Phyllis Freda Sabbath Isaacson.

An act for the relief of Marguerite Lavoie Jolin.

An act for the relief of Margaret Lillian Mackenzie Smallwood.

An act for the relief of Edith Elizabeth Altherr Thompson.

An act for the relief of Jean Marc Marceau.

An act for the relief of Moe Boxerman.

An act for the relief of Marilyn Joan O'Bryan Watson.

An act for the relief of Irene Elsa Rubin Cohen.

An act for the relief of Sally Baker Golding Rohrlich.

An act for the relief of Jerzy Dzynaw.

An act for the relief of Pauline Mechanik Winterfeld.

An act for the relief of Gennie Loza Jarvis.

An act for the relief of James Keith.

An act for the relief of Michal Rybikowski.

An act for the relief of Beverley Joan Abbott Reid.

An act for the relief of Mark Astman.

An act for the relief of Karl Schubert.

An act for the relief of Norma Leibovitch Ryer.

An act for the relief of Manola Mainville Lefebvre.

An act for the relief of Anne Marie Fontaine Brien.

An act for the relief of Joyce Hahn Maiste.

An act for the relief of Joseph Fabien Marcel Perras.

An act for the relief of Elizabeth Geroux Touchette.

An act for the relief of Conrad Donat Joseph Bouffard.

An act for the relief of Claire Lenoff Schecter.

An act for the relief of Gun Elsa-Maria Stridh Zukrowski.

An act for the relief of Dorothy Maureen Allan Cybuliak.
An act for the relief of Lita Eleanor Ciceri Desrochers.
An act for the relief of Gwendoline Georgina Adelaide McNamee Phillips.
An act for the relief of Robert James Beakes.
An act for the relief of Elizabeth Ann Vedder Chadwick.
An act for the relief of Osbourne Denzil St. Martin.
An act for the relief of Elizabeth Janet Davidson Blacklock.
An act for the relief of Mary Isabel Bristow Livingston.
An act for the relief of Zelda King Neuss.
An act for the relief of Lena Therese Dean Lauzon.
An act for the relief of Sydney Wagner.
An act for the relief of Margaret Williams Mullins.
An act for the relief of Donald Ernest Lamont.
An act for the relief of Margo Jean Thornton Savard.
An act for the relief of Marie Reina Pauline Duquette Cottier.
An act for the relief of Molly Gloria Goldman Mencher.
An act for the relief of Marie Marguerite Eugenie Lucie Prevost Dorfman.
An act for the relief of Florence Hewitt Scribner Hartt.
An act for the relief of Mona Areta Emsley Forbes.
An act respecting British Columbia Telephone Company.
An act respecting The Rio de Janeiro Tramway, Light and Power Company, Limited.
An act respecting Sao Paulo Electric Company, Limited.
An act respecting Brazilian Hydro Electric Company, Limited.
An act respecting Brazilian Traction, Light and Power Company, Limited.
An act to incorporate Investors Trust Company.
An act respecting Mexico Tramways Company.
An act respecting The Bell Telephone Company of Canada.
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 by the message from the Senate.

SUPPLY

The house resumed in committee of supply, Mr. Rea in the chair.

DEPARTMENT OF NATIONAL DEFENCE

Defence services—

240. To provide for the Canadian forces, the defence research board and other expenditures relating to defence, including costs incurred in the participation of the Canadian forces in the United Nations emergency force and contributions toward the military costs of the North Atlantic treaty organization; to authorize expenditures in the current year out of the amount hereby provided, not exceeding $130,000,000, under the provisions of section 3 of the Defence Appropriation Act, 1950, and to provide that, notwithstanding subsection (3) of that section, where equipment or supplies are transferred, the estimated present value thereof shall be credited to this vote instead of being paid into the special account mentioned in the said subsection (3), and when so credited may be expended for the purposes of the Canadian forces; and notwithstanding section 30 of the Financial Administration Act to authorize total commitments for the foregoing purposes of $3,338,164,131 regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,521,731,982 will come due for payment in future years), $1,669,450,149.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Fisher: Mr. Chairman, before I go any further I would like to correct a small error made by the Minister of National Defence. It is rather petty, but he did say that the member for Port Arthur was one of those who had spoken on the ideological training in the armed services. Actually it was the member for Fort William.

Mr. Pearkes: I have made that correction. I beg your pardon.

Mr. Fisher: Thank you. I wanted to make sure it was corrected because from my own personal memory of the services—I might add that one of the pleasures of my taking part in this debate is from the point of view of a former private asking questions of a former general—I do recall that we got horribly bored with some of the ideological training.

At this time perhaps I might also take the opportunity to refer to what was said by the gentleman from Alberta. Perhaps he did not mean to cast an aspersion upon the loyalty of the C.C.F. as a group with respect to our national defence, but I would just like to remind him that we have our share of returned veterans and if we, perhaps, are not so vociferous in referring to the bible or the crown that is no reason to infer that we are disloyal or unchristian.

Now what I wanted to speak about in particular had specifically to do with Canadian service colleges. Of course their estimates are scattered throughout many subjects but I do feel that this is the proper time to put my questions. I think it is one of the ironies in connection with education that the only full subsidization of higher education in this country at the present time should be for the purpose of producing soldiers and sailors. Of course, as a believer in full subsidization of higher education so that more people may get the benefit of it, this specific aspect of national defence intrigues me and it seems to me that if the production of regimental officers or air pilots is worthy of full subsidization the same principle should be much more widely extended to cover the training of scientists and specialists in the liberal arts. That of course is something else again.

Now one of the difficulties in there being no breakdown available, and no chance to examine the expenditures in connection with the service colleges and that aspect of the department generally, could be rectified if the minister, in the estimates, the public accounts, or in his departmental report, would provide some facilities for such an examination. That is the first request I would like to make.

The second point I would like to raise is this. A former minister stated there were plans for carrying on the equivalent of post-graduate work for graduates of the service colleges at the national defence college and at the army and air staff colleges. Now in what way is such post graduate work geared to advanced physical research in the fields of missiles, technology and atomic weapons. I would like to know how that is progressing. I have in mind a statement made in 1952 by Mr. Claxton on this very subject. I would also like to know something about the make-up of the advisory board of the Canadian service colleges. Who are the members, and are they still meeting once a year, and has the membership changed? Would the minister say if there has been any great change in the conceptions of the board since his government took office?

Another question I would like to ask, and I know of course that I will have to wait for the minister to obtain expert advice in order to answer me in this respect, is as follows: What is the comparison of costs for the production of officers at each of the three service colleges and what is the comparison of costs between producing an officer at a service college compared to an officer produced under the university training plan? I think these are all aspects of the departmental estimates which we should be entitled to investigate.

Now has there been any discussion about narrowing the rather liberal kind of education now available to students at service colleges? In the first two years especially the education in general is quite liberal and I would like to know if there have been any discussions about narrowing that education and making it more specifically military?

Another question I would like to ask is whether there is a provincial quota for the service colleges and if so have those quotas been filled in recent years and by what provinces?

Further, in 1952 there was an announcement made that the College Militaire in Quebec would have an objective of enrolment of 400 students. I would like to know if that objective has been reached and, if it has not what difficulty stands in the way?

[Mr. Fisher.]

I also have a similar question in connection with the rather different position with respect to the academic professorial staff in the service colleges and similar staffs at the universities. I would like to know whether there is a definite minimum and maximum in terms of pupil load and lecturing hours for the academic staff at service colleges. I have received some reports that such staff is overworked and other reports that they have practically a year-round holiday.

I would further like to know the position of the civilian teaching staff at the service colleges with respect to work in vacation time. For example, could an engineering professor take on private services for a fee or could an arts professor, who had published a book as a result of his studies carried on as an employee of the civil service, have the profits of the publication accrue to him?

Something else I would like to know is how the schedule of salaries for professorial staff in service colleges compares with that recommended by the association of university professors or with that of the University of Toronto which, I understand, is the general standard in Canada by which other colleges and universities govern themselves?

Another question I would like to ask is, can academic civil servants of the department belong to the professorial association of university professors; have they that right?

I would like to know the relationship between the National Council of Canadian Universities and the directors of the Canadian Service Colleges? Just what is the liaison between these groups and are the service colleges part of that national council?

More particularly, how many service college graduates in the last three school years have chosen to go on to take the degree at our universities immediately they were able to do so?

As a penultimate question I would like to ask what is the percentage of Canadian service college graduates which remains in the active forces after completing the term of service? Lastly, what percentage of the student body presently enrolled in the service colleges is, or could be, classified as French Canadian?

I realize, in reading this long list of questions, that it will take time to answer them and that there will be difficulties involved in doing so. I feel, however, that this is the place to ask rather than on the orders of the day and will look forward to sending over this list to the minister and later on, as the discussion continues, to having such answers as his assistants may be able to provide.

Mr. Hahn: I have just a very few questions at this time, Mr. Chairman, but as the night progresses I will have more to add. I would first like to compliment the minister in respect of his announcement than he expects to cut down on the expenses of the department. I may say that I have found him to be one of the most approachable ministers with whom I have ever had contact in this house.

Some hon. Members: Hear, hear.

Mr. Hahn: I find he is always prepared to meet one and to discuss problems although that does not necessarily mean that I agree with everything that is being done in his particular department. I did hope that we would have had the public accounts of Canada for 1957 by this time so that we could come to some reasonable understanding by a comparison of the estimates for last year with the amounts actually expended by the various departments. My reason for this hope is that I find this is one department in which there is a great discrepancy between the estimates and the actual expenditures.

The people in this country complain bitterly about excessive taxation to which we are subjected and I must under the circumstances refer to the public accounts of Canada for the year 1956 and in particular to volume I, page N-4, to illustrate my particular point.

The estimates set down by the department under departmental administration amounted to $3,494,080 while the amount actually expended was approximately half a million dollars less; $500,000 on an expenditure of some $3 million. Actually, the figure expended was $2,963,787. That represents a difference of about one-sixth, or 16 per cent.

Now I have taken time in the course of the day to review former public accounts and in many instances I have found a similar story. I have tried to discover by going through the estimates exactly where the discrepancy arises. I must say at this point that I do recognize the fact that the minister is new to this particular department and has not had the opportunity of checking these things for himself. He has not had the time. I know how much time it would take to check every individual item among the thousands of items which appear. The point I wish to make is, possibly, best illustrated on page 313 of the estimates for 1957-58 with which we are particularly concerned. I would direct the minister's attention to the section entitled departmental administration.

We see there, under the description of civil staff—possibly civil servants—one deputy minister, one associate deputy minister, three assistant deputy ministers—two at $12,000 and one at $10,500—making in all a total, together with their staffs, of 774 employees in the administrative staff compared with 776 last year. Now the question I have in mind is this: have these offices ever been filled at any one time, all of them, or have any been vacant for a year? Is it the intention of the department to fill these vacancies?

Again, I wish to say that all this points to the fact that we should have a special committee to study these estimates in the same way as other departmental estimates are studied. I could make some very pointed comments about this matter, but I do not intend to pursue the discussion very far at this moment. But if we do have each of these particular offices filled, I am wondering who are the individuals who fill them. As I said, in 1956 there was a discrepancy of over half a million dollars according to the public accounts. Certainly, under "Administration", this is an item identical with the one we find included in the estimates this year.

We find a saving of half a million, which would indicate that the department is expecting the taxpayers of Canada to pay half a million more each year than is actually required, because, to the best of my knowledge, I have never seen all the posts in this department filled at any one time. Possibly the minister would make a statement on this matter later.

I found, also, among other things, a matter which might best be described by reference to the white sheet at the back of the estimates. Let us take one example: construction or acquisition of buildings and works, including land. Hon. members will find that this year we are being asked to appropriate approximately $143 million as compared with $191 million last year, a saving of about $50 million. I should not say it is a saving; we are probably spending $50 million less on buildings. We are just not spending the money. It does seem that at this time we should be better advised to spend the full $191 million on new buildings, not only because we need the buildings but because this is one way of getting people to work.

While I am dealing with this particular question I wonder if the minister would indicate to the house whether there is any change in policy involved here. Are there to be fewer replacements of armouries? What is the decision of the department? In the city which I have the honour to represent we have an armoury which has been in existence for many years. The building is in very poor condition. Ten years or more ago the former government promised that they would replace this armoury. This was long before my time as a member of parliament, but I remember reading about it in the newspaper. This

promise has never been fulfilled; there was always one excuse or another, and it seems that the appropriation was never there. If these moneys are not expended and the taxpayer has paid for them, the balance must have appeared at some place in the appropriation. What has happened to this particular balance? Is it being held, is it the intention of the department to carry on a building program or has it other plans. I am sure that each of the hon. members of the house who has an armoury in his area, replacement or renewal of which has been promised, would be very interested to hear the minister's observations on this.

There is another question which I think is very important at this time, and it arises out of a statement made by the Minister of Public Works last evening when he was introducing his housing legislation. If I recall the matter correctly, he indicated that the maritimes and British Columbia were not in a position to take advantage of housing loans. There may be several reasons for this situation, but it could be that these regions are suffering severely from unemployment and as a result the people do not have sufficient money available to make down payments. I find, on checking the loans made in various parts of Canada, that in the province of British Columbia we received only one per cent of the defence orders placed by the federal government. We represent eight per cent of the population, yet we received only one per cent of all defence orders. This is a depressed area, as the hon. member for Vancouver South has very recently found out, as has his colleague the member for Vancouver Centre—

An hon. Member: Better get your constituencies straight.

Mr. Hahn: No, I am going right through the list. They have all learned about it by now, including the hon. member for Vancouver-Burrard. They all know about the condition of the province and the serious unemployment problem. The same applies to the maritimes.

Mr. Barnett: What is Mr. Bennett doing about it?

Mr. Hahn: We are building roads and highways and spending every available dollar in the treasury which is a lot more than this government is doing.

Mr. Johnston (Bow River): What is Saskatchewan doing about it?

Mr. Hahn: If I may continue, sir, I would add that in circumstances such as these where the Department of National Defence has had all these extra dollars appropriated to it and available in the treasury a good place to spend that money would be in British Columbia and the maritimes and any other areas where there is a serious unemployment problem at this time in order to set those people at work producing some of the articles that are required in carrying out the defence of our country.

The Chairman: May I assume that we have now concluded the general discussion on this vote?

Mr. Herridge: Mr. Chairman, I have a few remarks to make. I would have made them this afternoon but unfortunately I had to be absent to attend the meeting of the external affairs committee.

First of all I must congratulate the minister on his appointment and wish him well in all he undertakes for revision. I think every one realizes that this is one of the most difficult portfolios to deal with in these most uncertain circumstances.

I was interested this morning in the minister's reference to the history of the militia, how it was based on the efforts of the pioneers to provide for their own defence and the defence of the country and how finally in the first world war it was used as the basis of the contingents that went to France. I know as far as my own constituency is concerned the units in Trail and Nelson have been kept going and training has been undertaken week after week, month after month and year after year by a few devoted persons who undertake this work under quite difficult circumstances, in some cases with little public support because of a lack of understanding and because of a degree of uncertainty as to their status in the light of developments that are likely to occur in the future.

In referring to the militia I personally prefer the term "home defence" under these circumstances and I suggested that its role should first of all be primarily home defence, second civil defence and third it should represent training to take action in the case of disaster in peacetime. I think there is a most worth-while role for the militia if training is undertaken along those three lines and that type of training would appeal to many of the younger men who would be willing to join the militia if there were training of that type.

From my experience as a result of talking to the officers, non-commissioned officers and the rank and file of the units in my district I have learned that you cannot arouse very much interest in training year after year on obsolete anti-aircraft guns which I understand were obsolete some years ago and which do not provide much outlet for interest for young men. Because that sort of training has been continued for some years it has been rather

difficult to encourage young men to join the militia in our district. I suggest that first of all you have to have local support and to have local support you must have the type of program in training which engenders that support and local interest.

I suggest that the best results for the money expended can be obtained, particularly under circumstances such as those which obtain in my area, by basic infantry training in which there is training in basic discipline and the understanding of accepting orders and working together in circumstances of emergency. In addition to that I suggest such training could be coupled with frequent manoeuvres into various parts of the district which could be undertaken at very little cost. In fact, the units in my area have undertaken weekend manoeuvres on two or three occasions under the direction of their C.O's. and they have been very successful indeed. I have talked to a lot of the young chaps who were out on these manoeuvres and they appreciated them very much because they felt they were doing something of significance. In a situation such as ours, particularly in a mountainous territory, I believe it is most necessary that we have a corps of men who are well acquainted with the country, its physical features, topography, geography and that sort of thing. In that way the militia is capable of providing a highly adequate home defence in the case of emergency.

Secondly, I think the co-relation of the work of the militia with civil defence can be accomplished with good effect. I was extremely pleased when the minister suggested something more was going to be done in that direction. In fact, if civil defence works in conjunction with the militia I believe we will have a more effective civil defence because there will be a correlation of these two groups both aiming to provide some protection for the country in emergency and in peace.

I also suggest there is an opportunity to use the militia as a group of trained persons willing to be called out to meet any civil disaster in peacetime, particularly during floods and perhaps on occasions when there are very large forest fires when some particularly large organization is required. I stress again my belief that the militia can play a continuing and worth-while role if it is based on home defence, civil defence and disaster defence and alleviation in peacetime.

I am rather parochial in my outlook in some respects because I am essentially a village lad, you know. I feel there is a great deal of value in maintaining the old district names with respect to the militia. There is not much appeal in numbers and that sort of thing but there is a strong appeal in district names and they could be used to a greater extent in any reorganization of the militia. The Rocky Mountain Rangers were formed in the interior of British Columbia in the early days of the century and I remember the drill halls being built in Rossland, Nelson and Kaslo—I should win the support from the Minister of Public Works in this respect—and in other places and I also recall the interest taken in the militia at that time in an entirely different world situation.

The men who were trained there, like others who were trained in the militia, formed a ready nucleus for the overseas forces during the war. The famous 54 Kootenay regiment was based on the Rocky Mountain Rangers and rendered great service during the first world war. I suggest that the Minister of National Defence would be well advised to form a Kootenay regiment in the Kootenays with platoons or companies in the various towns in question. By so doing the minister would continue the tradition that has been established since the early days of this century and would attract to the militia the sons or grandsons of men who served in the Rocky Mountain Rangers and of those who served in the Kootenay regiment and whose fathers at various times throughout the years served with the militia and the overseas battalion that was formed from it.

I do urge the minister to give some consideration to that and when he replies I would like to get his response to my suggestion in respect of naming the units in the Kootenays, the Kootenay regiment. I am not talking of the engineers or technical groups, but those who are now known as anti-aircraft regiments. I suggest changing those to an infantry regiment. I think it will create much greater interest and will be more suitable for the development of the type of training that is required in that district and will be of considerably less cost than using this heavy equipment and the training that goes with it.

Mr. Smith (Calgary South): I should like to make just one or two comments on questions which again involve generalities. First of all may I also congratulate the minister and those associated with defence planning on recognizing for the first time, in some 17 years that I have any knowledge of the armed forces, the necessity for planning flexibility in view of the nature of the defence that we have to make for our country.

I would like to suggest that some of the questions that the minister is going to be confronted with, which were partially covered by his remarks, can be answered when

we come to the details of the estimates which we will be giving consideration to in just a moment. To be more specific, I would like to suggest to him that the reserve role which he outlined first of all in so far as it applies to the air force auxiliary units, one that we should have recognized some five years ago, would have to be changed. The reason he gave us was the necessity of carrying out a new role in the interests of civil defence with transport units. Perhaps a more important reason is that our weekend pilots who have done an excellent job with the auxiliary units will undoubtedly in the course of the next few years have some difficulty in flying the very fast jet aircraft on limited flying experience. But I would like to suggest to him that in so far as the use of transport aircraft, the Expediters most currently in use are not a satisfactory type, first of all because of their operational limitations. I would like to suggest to him that the Dakota, which has been the workhorse of the transport units in regular squadrons these past years, should replace the Expediter.

In so far as the reserve militia unit is concerned, I think that most of those who served in the militia, or those in this house who served in the militia, recognize as one member said that certain of our artillery pieces of equipment such as the 25-pounder, while it may be out of date, does nevertheless provide us with the firing power which if used in larger scale operations, will give us the elementary training that we require. What I do suggest to the minister and his department is that while there may be some reduction in the application of reserve units to either fighter squadrons, auxiliary units, transport units or artillery, the militia units, integrated as they may be, and although we may not give them the time with the permanent units at reserve camps as formerly, we should not in any way reduce the number of permanent force liason officers who are associated with them. Otherwise, the basic training which our militia units must carry out with two objects in view, namely replacements in permanent units and association with civil defence, will not be achieved. That purpose can only be carried out with a fairly high level and a very efficient group of permanent force officers who during the past years have been associated with the various regiments.

I do not think we should concern ourselves too much so long as we maintain the high level of training standards which the reserve units are experiencing today. This, of course, can be seriously limited if we do in any way reduce the association with the permanent units who have assisted with the training in the past.

[Mr. Smith (Calgary South).]

I should like to say a word to the minister on the long-term suggested plan of integrating some of the common ancillary forces with the permanent forces. I heard an hon. member of the C.C.F. party to my extreme right suggest today that perhaps we should integrate the forces as an entity, not just the ancillary sections, that is to say, administrative, medical or police. I would like to remind the minister and that hon. gentleman who made the suggestion that that is an experience that has been tried by every armed force in the world today and it has failed. I think the identity of the three services is essential. I think what might perhaps be regarded as a trial effort would be to use a common medical service, a common police service and a common accounting service. I think there are actually about six other units which, from the standpoint of the service to the main forces, could be incorporated on a basis which would indeed be of great assistance in saving money in the economy of our permanent forces.

I would like to make a reference to the comment of the minister which suggested that we will have in our permanent force a balanced brigade—three of them, I think. This is something which the armed forces have required for some time. We saw the rather regrettable situation when the emergency force was required for the United Nations. The regiment which was based in Calgary had to steal or beg from whatever source it could and from ancillary units to make up a complete composite brigade. The senior officers of both the air force and the army have maintained for some time that if a brigade is to operate efficiently it must train with its ancillary services, so that they can go into action immediately without having hurried wires or messages sent around the country to make it complete. I think it important, too, in the training of our permanent forces that we carry out as many integrated exercises with the United States forces as it is possible to do. Anyone in this house who suggests that because of integrated training we will become involved in an argument of national security or that the sovereignty of our country is endangered does not recognize the very practical and useful experiences that past exercises have given our own forces. I think the incorporation of our two units, that is to say the common forces, the permanent forces of the United States and Canada, as we are today trying to unify the continental command of the air force, will prove highly beneficial to say the least.

I would like to suggest to the minister that in defence planning as a whole the air members of the air force, again in recognition of the necessity of having a continental defence plan, should meet regularly with their counterparts in order to determine whether the use of our forces—and I refer specifically to aircraft now—is in the best interests of continental defence planning.

We have heard a great deal about the 105. It has been said that within the next five years it will no longer be considered to be a top flight aircraft. It has been said by the best known authorities on modern aircraft, and I am not referring particularly to those who may be in Canada, that it still will surpass anything on the drawing boards today. But even accepting that to be so, I believe that almost immediately we are going to have to give consideration to a new prototype which will provide not necessarily greater speed but greater range. I believe that the air members already carrying out planning duties can best do this in co-operation with the United States air force.

I should like to say a word to the hon. member for Kingston who was so concerned about the problem of filing a flight plan, the identifying of aircraft on radar screens and the time lag that might occur. If the hon. member was at all familiar with the procedure he would realize that it takes only a split second to pick up an aircraft on the screen and have fighter aircraft intercept before an enemy plane reaches the coast, and he would not be nearly so alarmed.

Finally, I should like to say this to the minister. Having regard to the white paper produced by Britain in July of last year, I believe, I think the Canadian government can take credit for the fact that so far as planning for defence is concerned the years ahead, as the minister himself said, have taken a somewhat different trend. It seems to me that this is the first attempt by any government to recognize that a change in the nature as we have planned here to take place involves not only the altered role of our militia units but our contribution to the continental defence of Canada and also, of course, to NATO. I believe that this is a very fine department of government, one into which a great deal of planning has gone, and I hope the minister will take into consideration the questions I have put before him.

Mr. Stuart (Charlotte): Mr. Chairman—

The Chairman: Order. Shall we now proceed to the consideration of the several headings under this item?

Mr. Stuart (Charlotte): No, I want to say a few words before we proceed with the details. I can assure you that I will be brief. I was attending committees this afternoon and was not able to be in the house for that reason. I am not aware if anyone from the province of New Brunswick has brought up the matter to which I wish to refer. I know the minister has received petitions from towns and cities in New Brunswick and from many different organizations in that province protesting the closing of camp Utopia in my own county and the curtailing of a great deal of the activity which has been carried on at camp Gagetown.

Camp Utopia, which was established in Charlotte county in 1941, has been in use every year since that time. It is true it is a small camp but I believe the minister was misinformed when he was told that it was in poor condition. I have been there several times this year, last year and the year before and I find it is kept in very good repair and is an excellent camp. Those who go there year after year are very pleased with the surroundings. There would only be 70, 80 or 90 local people employed there but this is an area where employment is greatly needed and the closing of the camp only added to the unemployment. The camp was of great benefit particularly to the eastern part of the county, the town of St. George and one or two other smaller places. It was appreciated by one and all and as it has been in operation continuously since 1941 I regret very much that the minister decided it was necessary to close it at this time.

Camp Gagetown has been under construction now for several years. I know from my experience and the discussions I have had with officials of the Department of National Defence that the particular site was selected in order to give the province of New Brunswick an additional payroll which was greatly needed. It has been estimated that the payroll at camp Gagetown would be approximately $15 million a year. I know the Minister of Veterans Affairs will agree with me when I say that payroll was needed in our province. The people there had come to depend on it. They felt they had a permanent establishment which would provide that type of payroll for many years to come.

When the people were notified recently by the Minister of National Defence that activity at camp Gagetown would be greatly curtailed during the coming year, in fact that the number of troops would be cut from 10,000 to 4,000, it was a most alarming thing to the people of that area, particularly in our capital city of Fredericton, in Saint John

and the larger towns. It was a great shock to all of us. I might add that it was most noticeable that there was no curtailing of the service in Nova Scotia. The military establishments in that province will carry on as they have in the past. I shall only appeal to the minister to reconsider the decision he has made. I can assure him that we in the province of New Brunswick are greatly in need of the assistance which was provided by camp Gagetown. Up to now that camp has cost close to $100 million. The building program, which was well under way, could have been completed in a short time, but it has also been curtailed.

Mr. Kennedy: May I correct the hon. member for Charlotte? He just made the statement that there had been no curtailment of troop establishments in Nova Scotia. Is he not aware that the third R.C.H.A. has been moved to camp Gagetown from camp Debert within the last few weeks?

Mr. Stuart (Charlotte): No, I was not aware of that fact. In the petitions I believe reference was made to the fact that there had been no changes made in the province of Nova Scotia. However, if some part of the army has moved from Nova Scotia to camp Gagetown I feel that is no more than right because at camp Gagetown we have the most modern camp to be found in any part of Canada. I can see no reason why activity there should be curtailed in any way in order to be able to carry on in some other part of the maritime provinces or anywhere within reasonable distance of camp Gagetown which is a modern camp from every standpoint.

I am sure that particular site was selected in order to give New Brunswick a little shot in the arm because it was greatly needed. At this very moment there is a great deal of unemployment there. In my own county not only did we lose camp Utopia but just a couple of months before the closing of that camp we lost a textile mill in Milltown on the international border which had been there for 70 years with the result that about 450 people were out of work. That area today is declared to be a surplus area so far as employment is concerned.

I well remember when there was so much criticism of the suggestion in the Gordon report that those who were not able to make a living in the maritimes could be moved to other areas at government expense. Those who sat in the opposition at that time said that it was a dreadful thing for Mr. Gordon to even consider such an idea. But I note that today those sitting on the government side of the house are prepared to furnish cash to move these people to some other area. But the question today is, where can they go to find employment? There is a lot of unemployment in all parts of Canada. Before I resume my seat I ask the minister to reconsider the decision he has made and secure a little more knowledge closer to that source because the present situation is a great disappointment to the people there and will cause a great deal more unemployment than we have now. We had depended on camp Gagetown to provide employment and I feel it is a camp that should be maintained permanently at full capacity.

Mr. Pearkes: Perhaps I might clear up this point now with regard to camp Gagetown, camp Utopia and the other camps in the Atlantic provinces. As the hon. member will know, camp Gagetown was started two or three years ago with the intention of building permanent barracks for approximately a brigade group. There is no change whatever in that plan and we are moving troops into camp Gagetown just as quickly as we can get the accommodation made.

Mr. Stuart (Charlotte): At that point may I ask the minister a question?

Mr. Pearkes: Yes.

Mr. Stuart (Charlotte): Did he not make a statement a short time ago that rather than having 10,000 troops in Gagetown in 1958, we would have only 4,000?

Mr. Pearkes: The hon. member is confusing those permanently stationed in camp Gagetown and those which are moved in for a short period of summer training. In the past few years there have been troops moved even from as far as British Columbia to camp Gagetown for a short period of summer training in order that they might train as a division. In the coming year it is not the intention to continue that divisional training but there will be troops training in Gagetown and there will be troops permanently stationed in Gagetown. There will be no reduction in the numbers which will eventually be placed in Gagetown. These troops will be moved from the other Atlantic provinces into Gagetown just as quickly as we can get the accommodation made, particularly the married men's accommodation. If we are moving troops into Gagetown as was originally planned—and that was a decision made not by me but by the previous administration—of course we have to move troops from Utopia also into Gagetown and that has already taken place. But we are looking into the question of Utopia to see whether some other use cannot be made of that camp.

While I am on my feet perhaps I might clear up one or two other points. The hon. member for New Westminster asked whether all the positions detailed under administration were always filled. No; they are not always filled. There is a constant review to see whether or not all these positions are necessary.

Then there was the question of armouries. The whole question of the accommodation for the militia or the reserve forces is under investigation. As I pointed out this morning, before the war we had some 4,000 regulars and about the same number of militia as we have today. Now we have 49,000 regulars and they are serving for a period of three years and then the great majority of them go into civilian life. Hence there is being built up a reserve of well trained men. Hence it is necessary to take a look at the whole question of militia accommodation or armouries as they are sometimes referred to. As soon as a complete survey has been made, the armouries which need replacing will be given consideration and will be proceeded with in those localities where they are most urgently needed.

I should like to thank the hon. member for Kootenay West for his very constructive suggestions with regard to the unit in his area. I should like to assure him that when we get these mobile support columns to which I referred this morning fully organized, a sub-unit will carry out one or some of the duties to which he referred. I think those are the main points.

Mr. Gardiner: I had not intended to say anything at this stage until the minister mentioned the armouries. I had the estimates here waiting until the item was reached. However, in view of the fact that he has just mentioned the subject, I think probably I should say a word now. I do not know that there would be any reason for my saying anything were it not for the report appearing in the press this evening. I was not here this morning. I was obliged to be at the banking and commerce committee and therefore did not hear what the minister had to say. In the report that is given in this evening's *Journal* I notice item No. 5 says:

> 5. The construction program has been reviewed and a number of lower priority items have been deferred.

From previous discussions with the minister I was under the impression, and have so conveyed the message to those at Melville where one of those armouries was intended to be constructed, that the whole plan was under consideration, and I would so understand from the remarks just made. But this report would give the impression that only some of them have been deferred and that they will be considered, and dealt with, I presume, at a later date. I was wondering whether the minister would make a further statement with regard to the proposed armoury at Melville so that it will be more clearly understood by the people there.

Before sitting down I want to join with the others who have congratulated the minister upon having taken over the ministry of defence recently. There is perhaps no one in the house who has had a wider experience in the armed forces of Canada than has the present minister. For that reason many of those on the prairies who have been associated with him will wish me to congratulate him upon having attained his present position.

Mr. Pearkes: I thank the right hon. member for Melville for his kind remarks. May I say how much I appreciate his interest in the local militia unit at Melville. Earlier in this session he brought to my attention the need for an armoury in that town. As our review is not yet complete I am not yet in a position to say whether or not we are going to go ahead this year with that armoury.

Mr. Knowles (Winnipeg North Centre): I listened with interest to the minister's remarks this morning, particularly that portion of them which dealt with a matter concerning which we have been trying to get information both here and in another place. When I say "another place", I do not mean the place that is usually referred to in that way but rather the meetings of the committee on external affairs. As I say, I listened to what the minister said this morning about the North American Air Defence command. I am fully aware of the positive assurances that have been given to us that the civilian authority is in ultimate control so far as NORAD is concerned. I am aware of the fact that in due course there may be something in the nature of an exchange of notes on an agreement between this country and the United States that can be made public. In other words, I am not asking the minister to go over the ground that he has been over several times. But it seems to some of us that there are one or two points concerning which we have the right to have information now. These are questions which have been asked here and they have also been asked in the committee on external affairs, but some of us feel that we have not yet been given the answers.

We understand that Air Marshall Slemon has been appointed deputy commander in chief of the Canada-United States air defence command by order in council P.C. 1957/1033 of July 31, 1957. What concerns some of us is the legal constitution of that air defence

command. It is one thing to appoint an officer to a position in a command, but how did the command get constituted? We should also like to know the basis on which General Partridge was appointed to be commander in chief of that same Canada-United States air defence command.

So far as Canada is concerned, the only documents we have with regard to this matter are the order in council to which I have just referred and the joint press release put out by the minister and his counterpart in the United States on August 1. These two documents are contained in sessional paper 183 and I would like to ask if the minister knows of any similar documents in the United States appointing General Partridge to his position, or constituting this joint air command? As the minister knows, when General Norstad was in Ottawa speaking to the press and at various places, he made it clear that his authority as a military commander in Europe was derived from the NATO council. In other words, the military was under the civil authority. We know how that authority, namely the NATO council is constituted, and what we are trying to get is the corresponding information regarding the North American air defence command. We know who are the supreme and deputy commanders; they are General Partridge and Air Marshal Slemon. We know that they have been appointed to the command and we have documents telling us about their appointment, but we have no documents telling us about the constituting of the command itself.

Now let me be very frank with the minister and say that these are questions we asked this afternoon in the committee on external affairs and we were told that they were really questions which should be addressed to the Department of National Defence. I hope the minister of this department will not send us back to the other department again. We feel that it is desirable to have this matter cleared up.

The minister has made it clear today, beyond the shadow of a doubt, that the civil authority is in control but we would like to know the constitutional or legal basis of that civil control over the Canada-United States joint air defence command.

Mr. Pearkes: I would say that this legal control to which the hon. member has referred will be definitely drawn up and included in the formal note by which we set up this air command. We considered it desirable that the two commanders, General Partridge and Air Marshal Slemon, get together and get working as a team, to discuss this matter between themselves and refer back to their respective governments. The actual formal note is agreed upon when all the details have been worked out and there will be no doubt that the authority will rest with the civil governments.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Knowles (Winnipeg North Centre): Is it fair to assume then, in view of the importance of that formal note between the two governments, that it will be drawn in such terms—in other words, leaving out the elements of security—so that the note may be tabled here and also tabled in the appropriate place in the United States?

Mr. Pearkes: I would hope that that would be the case. I say I would hope because naturally we are dealing with another government and we would have to get the consent of that government before tabling it. So I say I would hope it would be drawn up in such terms that there would be no doubt that it could be tabled.

Mr. Knowles (Winnipeg North Centre): Can the minister say on what legal basis the civil side of this set-up is operating at the present time, that is between now and the time this formal note is agreed upon?

Mr. Pearkes: As I have said, they are operating on an interim basis now, under which the two commanders get together, draw up their plans both for the relationship between the command and the governments and also with respect to operational plans. However, I hope it will not be long before the formal note is completed and we will be able to give the hon. member full details on this matter.

Mr. Knowles (Winnipeg North Centre): I am sorry if I do not seem to have grasped this as perhaps the minister thinks I should have done. I realize he has told me these two commanders are working together and drawing up plans. We have also been told that in the event of an emergency at the present time one or the other of them, on a certain basis, could take action. Now what is the basis on which they are working together and where is the civilian authority that enables them to work together at the present time or that enables them to take action in the event of an alert from the DEW line?

Mr. Pearkes: Well this morning I described the procedure which would take place if it was necessary to have any interception. I need not go all over that again.

Mr. Knowles (Winnipeg North Centre): No.

Mr. Pearkes: But all the plans are referred to both governments and both governments are in agreement as to the interim operations of this command.

Mr. Knowles (Winnipeg North Centre): Do I gather then that these two commanders at the present time are working on the basis of interim notes between Canada and the United States, even if these interim notes are documents which cannot be tabled?

Mr. Pearkes: No; I would say interim discussions rather than notes. There has been no passing of any formal notes at all, but there have been visits to the government of the United States. We have had officers going directly from here to Washington where the whole matter has been discussed and both countries are in agreement as to the interim basis upon which this headquarters is working and would work in a situation of emergency which we certainly hope will not occur before the formal note is exchanged.

Mr. Knowles (Winnipeg North Centre): Do I understand from what the minister has now said that any contact between Canada and the United States has been, not by note —interim or otherwise—but by way of discussions and visits. Furthermore, if visits have been made and if discussions have taken place, have they been on the civilian level, the departmental level or solely on the military level.

Mr. Pearkes: They have been on both the departmental level and what the hon. member referred to as the civilian level through our Canadian representative, the Canadian ambassador in Washington, Mr. Norman Robertson; by the chairman of the chiefs of staff committee and by the two commanders themselves. I may say that there have been a great many discussions on this matter in the last few weeks.

Mr. Knowles (Winnipeg North Centre): I will add just one more question, and I wish to be perfectly fair and say that I asked the same question of the Secretary of State for External Affairs this afternoon: will he say how soon these formal notes or agreements may be completed?

Mr. Pearkes: Early next year.

Mr. Broome: Mr. Chairman, I was very pleased to hear the minister say that armouries were going to be replaced according to need. I should like to review for the minister's benefit some of the background on recent events with regard to the proposed armouries for the Irish Regiment which is a reserve unit in Vancouver.

This unit was promised a new armoury in 1914, and the promise has been renewed periodically ever since. They are presently training in a frame building which has been condemned for 20 years. The city recently completed arrangements with the Department of National Defence and turned over to the department some 10 acres of land in the southeast corner of the city in return for three acres of a park called Grandview park owned by the Department of National Defence. It was considered that this proposed location was ill advised and unsuitable, and a fight was led to try to stop the building of the armoury at that location. The location was in the middle of a single family dwelling area. It had no public transportation; the nearest bus line would be about a quarter of a mile away, and had a frequency of service of around twice an hour. The militia was not happy with the location, but they had been waiting since 1914 and were willing to take anything.

The arrangement had been that the city of Vancouver would operate a police training academy on the same land and in buildings separate from the armoury. Eventually the police commission decided to switch the police training academy to the Pacific National Exhibition grounds and the city council reversed their plans with regard to the location of this armoury.

The present situation is that the department and the city first of all agreed on the location in an area, which, as I said, was not suitable for an armoury. Now communications have, I believe, emanated from the city to the department asking for a review of this armoury question and its location in a more suitable area.

The modern thinking with regard to an armoury is that it should be located in a well-populated area and should draw its recruits from that area. That would mean a higher priced parcel of land, because the area which has been under consideration is in an undeveloped section, very thinly settled and, in fact, the only area left in Vancouver suitable for large scale subsidized housing development, homes for pensioners and so on. The whole question involves the need to reopen communications between the department and the city so that a more suitable location may be found and the way cleared for the building of this armoury.

An armoury is required by the unit, but the present location is not suitable and I should like the minister, when he has the chance, to have his staff follow this matter up so that it does not become bogged down, and discuss with the city council the new situation which has arisen so that suitable land may be acquired and the armoury built.

Mr. Henderson: Mr. Chairman, I just wanted to ask a question to clarify something in my mind. I notice that the Minister of National Defence in his reply to the hon. member for

Winnipeg North Centre stated that discussions had been carried on between Canadian and United States officials with respect to NORAD. I also note that he intimated that arrangements were made through the Canadian ambassador in Washington. Do I take it from his answer that the Canadian ambassador was brought into this matter in order to make appointments or arrangements for the meetings with United States officials to discuss NORAD?

Mr. Pearkes: Yes, the Canadian ambassador has assisted in every way he possibly can to forward these various meetings which have taken place.

Mr. Henderson: Another question, Mr. Chairman. The minister asked us this morning if we would speak about as much on the general discussion as we could and I am sure we all want to co-operate and not speak too long on individual items other than those particular ones we want to ask about. The minister showed us how he spent an extra $41 million, by a $34 million increase in pay and allowances and another expenditure of $7 million on the mid-Canada line. He also stated that he had decreased spending in the department by about the equivalent amount of $41 million. I would ask the minister, in order that the members may more intelligently put a spending tag after each item, if he could give us a statement detailing his decreases in expenditure and naming the item to which each decrease would be applied. I think it will be easier for the members then to go over the items and know what they are talking about —what is still on the estimate, and if there has been a reduction what item is reduced.

Mr. Pearkes: I gave the general area in which reductions have taken place in the remarks I made this morning. To go over every item now would take a very long time, and it would be necessary for me to have my officials here with their lists of items that have been reduced. There have been reductions made in a large number of different items.

Mr. Henderson: Why I ask that of the minister is that there are a multitude of items and if he could tell us ahead of time, then we would not have to ask on these items: is this item reduced. If he would provide us with this statement—surely, there will be sufficient time overnight—or if he would make some arrangement whereby we could be told what items were reduced, time might be saved. If not it might occur to some members to ask whether this or that item was reduced, and this type of statement might eliminate that type of questioning. Or we might think we have something on the estimates which the minister has erased altogether, because he has not told us in particular about each item. I am sure that having reduced the estimates by $41 million he must have some kind of statement available he could attach to the various items or make an appendix to our proceedings.

Mr. Pearkes: Yes, I have a statement. When we have passed this first item and can get my officials in here they have a statement which goes into more detail.

Mr. Benidickson: Mr. Chairman, I am sure the officials are as able to come in now as at any other time during the proceedings of this committee, and I think it would facilitate progress if we had a breakdown of the $40 million to which the minister refers, because all of us, I think, are concerned about some domestic items.

Mr. Pearkes: The hon. member will realize, of course, that there are different officials dealing with different branches—different officials dealing with the navy, the air force and the army. It is hard to get them all here around one small table.

Mr. Benidickson: I agree with the minister, but I think he will agree with me that perhaps no other department of government which presents estimates to the House of Commons has such a small number of items in relation to the dollars involved. I think, in consequence, that if he has changes to make, he could, in deference to the hon. members of this house who do not divide themselves up into categories of air force, navy and army, assist them by providing some form of breakdown of the reductions he is prepared to stand by, compared with the gross items which appear before us.

Mr. Pearkes: I appreciate the hon. member's difficulty because I remember when I was sitting on the other side of the house I encountered exactly the same problem—

Mr. Knowles (Winnipeg North Centre): In almost the same seat.

Mr. Pearkes: —and the hon. member will recall how we questioned the wisdom of lumping all these items into the one vote, No. 240.

Mr. Benidickson: Quite.

Mr. Henderson: Mr. Chairman, I was glad to hear the minister say that when he sat on this side of the house he experienced difficulty in understanding the grouping of these items into one vote. We have the situation where he has introduced his estimates and explained quite clearly how he spent $41 million. Now we would like to know the debit side of the story as to how he saved money. There may be items in the details of

the estimates involving $3,000 or $4,000 in which some hon. member might be interested and as we proceed with the estimates some of these items might have been erased altogether unknowing to the committee.

I wonder if the minister would agree to the following arrangement. If we pass the present stage of general discussion would the minister when he brings in his officials deal initially with analysing for the members of the committee those items which represent a saving and then we could start dealing with the individual items. This might have the result of shortening the discussion and having the estimates passed more quickly.

Mr. Pearkes: I would be very pleased to do that as soon as you decide the general discussion is over.

Mr. Johnson (Kindersley): Mr. Chairman, I wonder if the minister could give the house some information concerning the total cost of developing the CF-105. I believe that is something which is public information and concerning which I have seen many figures put forward.

The Acting Chairman (Mr. Rea): I wonder if hon. members would agree that we have concluded the general discussion and may now proceed to a consideration of the several headings under the items. Is that agreeable to hon. members?

Mr. Benidickson: Well, Mr. Chairman, there are not really several headings. If one looks at the estimates and relates $17,000 to the first vote which is statutory, and to the main vote No. 240 which is as I roughly guessed something in excess of $1,600 million, one finds there is not very much discretion for the committee in getting down to individual items. I wonder if some summary is available that would relate to differences in expenditures as proposed by the minister in relation to the four items that I think are likely to be forthcoming before this committee.

Mr. Pearkes: I believe the hon. member was not in the house earlier today when it was decided that we would deal with the various items as listed under the details, such as the administration for the navy, army and air force; but if the committee would prefer to have item No. 240 dealt with as a whole it would be satisfactory. There has already been a wide range of discussion and I would be perfectly agreeable to that course of action. If the committee agreed, I could bring in the deputy minister and such other officials as are necessary right away.

Mr. Benidickson: Do I understand my hon. friend to say there was a commitment on the part of the committee earlier to refer to item No. 240 in stages based on the services involved?

Mr. Pearkes: Yes, that is correct.

Mr. Benidickson: That is satisfactory.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I think it would be satisfactory if we followed the practice we followed in former years. Actually, in technical terms, all we have before us at the moment is item 240 for something in excess of $1,600 million but if the general discussion has been concluded could we not just let the item stand, proceed to discuss the various details beginning on page 313 and when we have concluded the several pages of details we will discuss we could come back and pass item No. 240 if the committee sees fit to do so.

The Acting Chairman (Mr. Rea): If it is agreeable to the committee we will discuss the details commencing on page 313.

Mr. Maltais: Mr. Chairman, before proceeding any further perhaps I may be permitted to direct a question to the minister because I cannot relate the subject of this question to any particular item. Have there been any negotiations with the United States for the establishment or construction of launching bases here in Canada for guided missiles either jointly with Canada or from which the United States could act separately?

Mr. Pearkes: I am afraid I did not fully understand the hon. member's question.

Mr. Maltais: Are any negotiations now taking place or have any taken place concerning allowing the United States to construct launching bases for guided missiles in Canada?

Mr. Pearkes: No, there are no guided missile bases being built in Canada at the present time.

Mr. Stefura: Mr. Chairman, in rising at this time I would like to express agreement with much of the discussion that has taken place this afternoon but there is one point I feel we have overlooked. In any event it has been troubling me and I believe it is of concern to many people in this country.

When we look at the total estimated expenditures for national defence we find they amount to approximately $4,866 million for this year. The minister said that one-third of the tax dollar will go toward defence. This is most interesting because our taxes have increased considerably since 1949. Whereas in that year we were paying a per capita tax of $160 we find it has risen today to approximately $325 per person.

Out of every dollar earned by people in Canada almost 25 cents goes into the federal treasury in the form of taxes. In view of this heavy taxation and our huge defence expenditures one cannot help but wonder sometimes, particularly in the light of certain press reports which appear from time to time, if we are getting our dollar's worth in terms of goods and services for every dollar we spend.

The first question I wish to direct to the minister arises from newspaper reports concerning the Mark IV and Mark V versions of the CF-100. These projects which commenced a little over a year ago have now been abandoned. I would like to know if the planes were ever completed and, if so, whether they were used for training or military purposes? Perhaps the minister could also advise me what was the cost of the Mark IV and Mark V versions of the CF-100. In asking these questions I am referring back to my original query as to whether or not we are getting our dollar's worth for every dollar we spend.

I noticed in the Toronto *Star Weekly* a report to the effect that the Mark VI version of the CF-100 was abandoned after the CF-105 came into being.

The question that arises is, how much work was done on the Mark VI version and how much money was spent on it? We see other items in the paper from time to time, but I have not been able to find out what the situation is at the present time. I hold in my hand an article from the Edmonton *Journal* of January last, which deals with the Department of National Defence. Perhaps I should read first and ask the question later. The article is headed:

Ottawa Rapped For Buying Life Insurance On Sculptor

It is a Canadian Press story from Ottawa, and reads in part as follows:

Six years ago, the defence department decided to instal underground steam distribution systems at 30 camps. Major repairs since have been necessary at 14 of these stations, chiefly because of faulty design. Original contracts at the 14 camps were worth $6 million and estimated cost of repairs came to $1,218,500.

Mr. Pearkes: Might I suggest that we proceed in the manner which was suggested earlier? I will be able to answer all these questions when the air force representatives are present, and give the actual amount of money. If we can start with the administration service I can give the information.

The Acting Chairman (Mr. Rea): I think the hon. member will realize that the minister can answer these questions a little easier when we come to the air force service. We are now on departmental administration, at page 313.

Mr. Stefura: I was bringing it up, Mr. Chairman, only with the idea of trying to find out whether we were getting our money's worth for every dollar spent. We all realize that defence is something that we must have. When we spend these dollars do we get our money's worth? Is there a careful enough check of these items. I will agree with the chairman. If the minister prefers to handle these things item by item I shall drop my question for the present.

Mr. Pearkes: In answer to the question regarding reductions in departmental administration, the total reductions which have been made amount to $380,000, and that is divided into professional and special services, $202,000; travelling and removal expenses, $17,000; postage, $20,000; publication of departmental records and other material, $51,000; office stationery, supplies, equipment and furnishings, $50,000; materials and supplies, $40,000.

Mr. Benidickson: Is that all related to the summary and total on page 315?

Mr. Pearkes: That is all related to pages 313, 314 and the first part of 315, yes.

Mr. Benidickson: So that the deduction comes from the left-hand column of page 315?

Mr. Pearkes: The amount of $3,745,000 is reduced by $380,000.

Mr. Benidickson: Would the minister be able to provide the committee with some indication relative to the previous year which would show the relation between the amount asked for and the amount spent under this particular category?

Mr. Stick: I understand we are on item 240, with particulars on page 313. Is that it?

The Acting Chairman (Mr. Rea): That is right.

Mr. Stick: You have not called it. We would like to know definitely what we are doing.

The Acting Chairman (Mr. Rea): We are on administration, page 313.

Mr. Carter: I have a question.

Mr. Benidickson: I think members of the committee will understand that year by year there is sometimes a balance left, despite the vote of the committee of ways and means,

and I was wondering whether or not in the previous year the figure of $3,595,000 had been actually spent, or whether there was something underspent in that figure?

Mr. Pearkes: I have it under different items here.

Mr. Benidickson: Just the aggregate will be sufficient.

Mr. Pearkes: I will have to get it totalled up. I will give it to my hon. friend in a minute; it is under separate items.

Mr. Hahn: While they are adding these figures may I say I raised a question earlier in respect of the savings of the staff which the minister was kind enough to answer; that is, the civil staff, and my argument was based on this very first item, as I recall it, as compared with the 1956 public accounts.

Now, using the same figure for the past several years I find that the same thing holds true, namely that about one-sixth of these expenditures was never used; that is, expenditures that we had provided for. In this particular instance, if the minister can assure me that we are going to come very close to spending the $3,745,000 of the estimate I would be prepared to agree and say, well, that is just fine; but it is only an estimation of the dollars that are required to carry on administration. I find it difficult to reconcile my thought with economy in the operations of the department.

In this instance, I take the civil staff alone and I work it out on the basis of $2,952,000, as indicated on page 314. On that basis we would have another saving of about half a million dollars if the department were not to employ all of the civil staff which they indicate they are going to employ. I might say that by using the white sheets and the figures submitted therein I find we would have a grand total saving of $28 million in this department alone. I find that just the same percentage of expenditure is carried throughout. For that reason, the minister should certainly take another look at this particular item and give me a more conclusive answer in order to satisfy me.

Mr. Pearkes: As I indicated, in this item we expect to save, from the present indications, $380,000. There may be further savings, but I can assure the hon. member that we will not be employing any personnel for whom there is not the necessary work. If you ask why there happens to be these savings, of course, I must refer to the fact that there was a general election last summer. Because of that, some of those appointments could not be filled at the time. There were certain professional and special services which could not be proceeded with because there was no government, there was no authority to perform these services. I hope that by watching this very carefully we shall be able to save some more money before the end of the year. But it is necessary to employ the majority of these people. Remember a great many of them are permanent civil servants. Therefore, you cannot just turn them out on the streets in the middle of winter, and we have no intention of doing that.

Mr. Hahn: Mr. Chairman, I listened very closely to what the minister had to say and he has not answered my argument at all. In fact, we are farther apart on this than we were before. In 1955 there was no general election and in 1956 we appropriated the sum of $3,494,080, as indicated on page N-4 of the public accounts for that year.

The actual expenditure was $2,963,000. That was just for administration. The fact is that the saving apparently arose because we did not have as many on the civil staff as had been appropriated for. The same thing held true the year before and the year before that and I do not think elections had anything to do with it. It does not seem to have anything to do with it in view of the comparative figures as I go through the public accounts from one department to another. I must say I have been doing some homework. For that reason I say that with respect to administration the department could apparently save $28 million in civil staff wages alone.

I do know the minister indicated that there was going to be a reduction of $380,000 and I think he broke it down into postage, $20,000, and so on, but he did not indicate anything with respect to the civil staff and there must be some considerable saving there. I have a great deal of faith in the minister. I have known him for a number of years and I am satisfied he will look into the matter before another year but it is a matter of great concern. I am satisfied in my own mind, and it has not been proven otherwise up to now, that we are overestimating the dollars we require for the civil staff. It is not that we are going to have any more unemployed because I am not suggesting we should get rid of anybody. It is just that we are appropriating funds for civil staff and then never filling all the positions.

Mr. Pearkes: All I can say to that is that there is a constant review of the requirements going on. That practice has been in effect for years and it is still being continued. I hope that when the next estimates, which will be prepared by the present government,

are presented next year they will show that the same practice is continuing.

Mr. Carter: There is one matter I should like to bring to the attention of the minister and it would seem that this would be the appropriate item on which to raise it. It has to do with the Canadian volunteer service medal. Many Newfoundland veterans have applied for this medal and have not been successful. They have based their application on legislation which provides that active service by a person in any of the naval or army forces of Newfoundland or by a person who was recruited in Newfoundland for any naval, army or air forces raised in Newfoundland by or on behalf of the United Kingdom shall be deemed to be active service in the Canadian forces. It is the provision that servicemen recruited in the Newfoundland forces would be deemed to be on active service in the Canadian forces on which these men have based their application for the Canadian war service medal.

I do not know if the minister is familiar with the problem but if he is not I would be grateful if he would look into it and see if something cannot be done about awarding the medal to these Newfoundland veterans as many of them had four or five years overseas service.

Mr. Pearkes: I will be very pleased to look into the matter.

Mr. Henderson: On page 315 I notice that the vote for 1956-57 was $3,595,000. Was that amount all spent?

Mr. Benidickson: That was my question before.

Mr. Pearkes: That information I now have. The estimate was $3,595,000 and of that amount $3,063,830 was actually spent.

Mr. Benidickson: In other words, the minister, well on into the present year, is able to tell the committee that he thinks that in 1957-58 he will likely spend less than the $3,745,000 asked for to the extent of $380,000. Last year under similar circumstances the committee was asked for $3,595,000 and at the end of the year the department had not used the full amount. In fact, they were under it by considerably more than the $380,000 on which the minister has placed so much emphasis in the committee.

Mr. Pearkes: The hon. member will no doubt recall that all wages of civil servants were increased just before the last government retired.

Mr. Johnson (Kindersley): Can the minister tell us the total number of civilians employed by the Department of National Defence? I have thumbed through the various pages and I have great difficulty in adding the figures. Has a compilation been made of the number?

Mr. Pearkes: The total strength as of October 31, 1957, was 51,941.

Mr. Benidickson: Mr. Chairman, I want to be deferential to the minister because he was always very courteous when he was on this side and we were discussing these matters. On the other hand, I know that some modest increases have been provided in departmental salaries, but am I right in thinking that on a comparable basis $532,000, although asked for in 1956-57, was not used by the department and that this is comparable to the $380,000 which the minister claims is in the nature of a saving and which he referred to, I believe, as being by reason of the election?

Mr. Pearkes: I did not refer to it as being by reason of the election. What I meant was that some of these appointments could not be filled during the changeover period between the two governments, but the reason why there is not a larger saving is the increases to all civil servants. This is the estimate at this time. Perhaps it may go a little higher. We cannot tell. I do not suppose that in a similar period last year any more definite information could have been given.

Mr. Benidickson: In other words, the minister wants the whole amount put in the estimates by the previous administration. He is simply telling the committee that he rather expects the windfall to the treasury at the end of the year will be $380,000 which will not be spent although in the previous year the similar windfall going back to the treasury unspent under similar items was $532,000.

Mr. Pearkes: There was not the same increase in civilian salaries as has been made this time. As I say, my estimate at this time is that there will be a saving of the amount I have mentioned.

Mr. Benidickson: There is a cushion in the amount you are asking, in what we may vote, which you estimate will be $380,000.

Mr. Pearkes: We are absorbing the increase in the salaries. In spite of that, may I say that after a review which was made a year ago on which these estimates were based, on the saving that had been made by not being expended, we still are hoping to be able to save $380,000.

Mr. Benidickson: Not save $380,000.

Mr. Pearkes: Not spend $380,000.

Mr. Benidickson: You are spending less than you are asking us to vote at the present time by $380,000 but in the previous year the committee voted $3,595,000. Under this item the department actually spent $532,000 less than the committee voted under similar circumstances.

The Acting Chairman (Mr. Rea): Shall this heading carry?

Some hon. Members: Carried.

Mr. Fisher: In the departmental administration—

The Acting Chairman (Mr. Rea): Order. May I ask the hon. member whether he wants to speak on inspection services or departmental administration.

Mr. Fisher: Departmental administration. On page 314 you have some librarians listed. Where is the librarian grade 5 employed?

Mr. Pearkes: At the national defence library in Ottawa.

Mr. Fisher: Where is the listing for the librarian in the Royal Military College in this particular estimate?

Mr. Pearkes: You will find that under the army estimates.

The Acting Chairman (Mr. Rea): Shall this heading carry?

Some hon. Members: Carried.

The Acting Chairman (Mr. Rea): Shall I proceed to the next item?

Some hon. Members: Agreed.

The Acting Chairman (Mr. Rea): The next heading is inspection services.

Mr. Henderson: We have about five minutes to go. I wonder whether at this stage the minister could give us the same information ahead that he gave on the above item so that we might have it overnight and it might be reported in *Hansard*. Then probably we could go a little bit faster tomorrow in reviewing these items.

Mr. Pearkes: Yes. Under this item of inspection services there is a total of $1,431,267 which it is not expected to spend. We have reduced the amount of inspection services which have been carried out because it appeared that in some cases the inspectors were doing similar work to that being carried out by service officers; and with the general reduction in the construction work which is being carried out there has not been the need for as many inspectors.

Mr. Benidickson: The saving was what?

Mr. Pearkes: $1,431,267.

Mr. Benidickson: Actually we would want to know similarly what was the underspending in relation to the vote of parliament on this item for the year 1956-57.

Mr. Pearkes: It so happens that the savings are shown by the various sub-items and the expenditures of last year are shown under the various sub-items. It would be necessary to go through the book and add those items up before I could give you the total savings.

Mr. Benidickson: Yes. My hon. friend will give that information to the committee later in relation to this item which he quotes of $1,431,267?

Mr. Pearkes: I shall be pleased to do so.

Mr. Knowles (Winnipeg North Centre): This question may have been answered previously. If so, I trust the minister will pardon me for repeating it. I gather that the saving to which he has just referred in connection with this item and the saving to which he referred in connection with the previous heading and the others that will come along are the figures that add up to the $41 million to which he referred in his general remarks?

Mr. Pearkes: They will add up approximately to that $41 million.

Mr. Knowles (Winnipeg North Centre): My question is this. Is the minister asking for the total amount of vote No. 240 to be reduced by $41 million?

Mr. Pearkes: No; because we have had to absorb the increases in pay to the regular forces, the reserve forces and the additional cost of the mid-Canada line to which I referred in my remarks this morning. We are therefore asking for the full total, although I have hopes that by the end of the year we will not have spent the full amount which is being asked for.

Mr. Benidickson: I think the minister, when he talks in terms of changes and when he uses his own words since the election, will see why we should like to see something specific about these matters. I wonder whether it would not commend itself to him if overnight he would ask his officials to prepare for us some breakdown of the $41 million so that this breakdown would be available to the committee tomorrow, particularly as it relates to this item 240, or is that the number of it?

Mr. Knowles (Winnipeg North Centre): Item 240 is the big item.

Mr. Benidickson: As it relates to the big item 240. We have just gone through a

section in which we have found that underspending in relation to the voting of parliament on the departmental administration item of $380,000 was actually considerably less than the underspending a year ago in relation to the same item. I wonder whether that work could not be done by the minister in order to save this rather tedious procedure in committee as we are examining the details.

Mr. Pearkes: This morning I gave the general reduction, as the hon. member recalls. I pointed out what were the increases in military pay and allowances. Then I went on to explain where the reductions were made. I said that no supplementary estimate would be asked to cover these expenditures. Then I went on to use these words:

> As a result of this review, a number of decisions have been taken which will reduce expenditures. Savings are being made in the operating costs of all three services. A decision has been taken to discontinue the bureau of current affairs.

There will be a definite saving there. I reduced the amount of advertising by one-third. My recollection is that the advertising is shown as somewhere about $2 million, so one-third of that will be shown. I have curtailed travelling expenses in all the services; that is the movement of personnel, the changes in station, visiting and that sort of thing. Then I went on to the question of construction of buildings and showed where there would be savings there and so forth. I gave the main item.

Mr. Benidickson: Quite so. I can understand that and I will read it. But on the other hand I think the minister will follow the progress of the committee and realize that now we are referring to the details of services and inasmuch as we have just completed a discussion under the heading of "Departmental Administration" and have some understanding of that, and as he has now gone only half-way to providing information on the second item in this new section under which he said he anticipates spending less than is mentioned on the estimates by $1,431,000, and inasmuch as we want to relate that figure to the previous year when the total asked for was $10,105,000 and ask how much was underspent that year, what I was saying was simply this: Could the minister and his staff overnight not carry out that procedure under all these categories before the committee sits again?

Some hon. Members: Ten o'clock.

Mr. Pearkes: We shall have a look at it and see whether we can produce the figures for the hon. member.

Progress reported.

[Mr. Benidickson.]

Mr. John Pallett (Peel): Mr. Speaker, may I have the leave of the house to revert to presenting reports of standing and select committees?

Mr. Speaker: Has the hon. member the leave of the house so to do?

Some hon. Members: Agreed.

BANKING AND COMMERCE

Third report of standing committee on banking and commerce.—Mr. Pallett.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask what is the business of the house for tomorrow?

Mr. Green: Tomorrow we intend to commence with the estimates of the Department of Trade and Commerce, to consider them during the morning and afternoon and then in the evening we shall take up the estimates of the Department of Finance.

Mr. Chevrier: May I ask if it is the intention of the Minister of Finance to give a financial statement at eight o'clock?

Mr. Green: Well I am afraid the hon. member will have to refer back to the statement already made on that point by the Minister of Finance himself.

Mr. Chevrier: Then, Mr. Speaker, may I just ask for further information. It is customary in the house to deliver a budget address at eight o'clock and we have been told there will be no budget, so I take it that since the Minister of Finance is beginning his estimates at eight o'clock he will be making some sort of statement to which I take it we are entitled. Does it follow from that that this will be the statement that will have to do with taxes and tax reductions?

Mr. Green: I think the hon. member may take it that the Minister of Finance will be making such a statement.

Mr. Chevrier: May I ask what will be the business for Saturday?

Mr. Green: We shall probably continue with the estimates of the Department of Finance and, if not, with those of the Department of Trade and Commerce.

Mr. Marler: Mr. Speaker, I wonder if the leader of the house realizes that a somewhat anomalous position seems to be developing. If the Minister of Finance is intending to make what might be described as a budget speech in presenting the first item of his estimates tomorrow, surely that is running directly counter to all of the traditions of this house with regard to budgetary discussion and also the usual adjournment—

Mr. Monteith: Better than by radio.

Mr. Marler: —in order to discuss the subject of the budget and in order for the figures to be presented by the minister for consideration.

Mr. Green: Well, the same point has been raised before on several occasions and has been quite thoroughly debated in the house. I can make no further statement on it this evening.

Mr. Knowles (Winnipeg North Centre): May I ask a question of the minister. Do we understand that these tax changes that the minister will be announcing tomorrow night will be announced in the committee of supply rather than in the house with Mr. Speaker in the chair?

Mr. Green: I said, Mr. Speaker, that I thought the Minister of Finance would be making a statement when he opened his estimates. Further than that I cannot go.

It being seven 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:

RAILWAY CONSTRUCTION, BEATTYVILLE-CHIBOUGAMAU

Question No. 154—**Mr. Cardin:**

1. To whom were the contracts for the construction of the railway line from Beattyville to Chibougamau awarded?
2. By whom were the contracts executed?
3. Who were the supervising engineers?
4. What was the cost per mile for the construction of the railway line between Beattyville and Chibougamau?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

1. Section from Beattyville to Bachelor lake—La Société d'Entreprises Générales Limitée, Amos, Quebec, for clearing, grading, culverts, trestles, substructures of bridges, etc.

Section from Bachelor lake to Chibougamau —Albert Lemieux Limited, Montreal, Quebec, for clearing, grading, culverts, trestles, substructures of bridges, etc.

2. Contracts were executed by the authorized officers of the railway company and the respective contractors.

3. Supervision of the work was carried out under the general direction of Mr. W. E. Griffiths, chief engineer, central region, Canadian National Railways, Toronto, and his officers.

4. Although this line is now in operation, all contract work is not fully completed; therefore, actual cost per mile cannot be finally determined at this time.

RAILWAY CONSTRUCTION, CHIBOUGAMAU-ST. FELICIEN

Question No. 155—**Mr. Cardin:**

1. To whom were the contracts for the construction of the railway line from Chibougamau to St. Felicien awarded?
2. What was the cost per mile for the construction of the railway line between Chibougamau and St. Felicien?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

1. Section from St. Felicien to Lac Chigoubiche—joint venture—Therrien Construction Co. Ltd., and McNamara Construction Co. Ltd., Toronto, Ontario, for clearing, grading, culverts, trestles, substructures of bridges, etc.

Section from Lac Chigoubiche to Cache lake (Cache lake is the junction point with the line from Beattyville to Chibougamau)—

Ludger Le Page and Fils Ltd., of St. Felicien, Quebec, for clearing.

La Société d'Entreprises Générales Limitée, Amos, Quebec, for grading, culverts, trestles and substructures of bridges.

2. This work will not be completed for some time; therefore cost per mile cannot be determined until all the work is completed.

C.M.H. FORECLOSURES, SASK.

Question No. 192—**Mr. Ellis:**

1. How many foreclosure actions have been instituted by Central Mortgage and Housing Corporation within the province of Saskatchewan up to November 1, 1957?
2. What was the amount in arrears in each case when foreclosure action was commenced by Central Mortgage and Housing Corporation?

Answer by: **Hon. Howard C. Green (Minister of Public Works):**

(1) Central Mortgage and Housing Corporation has instituted six actions to terminate agreements for sale in the province of Saskatchewan up to November 1, 1957. No foreclosure actions have been instituted on mortgages in the province of Saskatchewan up to November 1, 1957.

(2) The arrears in each case where action was instituted to terminate the agreement for sale amounted to:

Date action instituted	Total
June, 1955	$388.00
June, 1955	393.64
August, 1956	256.00
February, 1957	280.00
April, 1956	228.80
May, 1956	199.00

The arrears represented from five to eleven monthly payments. All agreements were reinstated upon payment of the arrears with the exception of one case which is still pending.

WINTER NAVIGATION STUDIES, LAKEHEAD

Question No. 213—**Mr. Fisher:**

1. Have any preliminary studies been made of the problems in keeping the Canadian lakehead harbours open through the winter?
2. If so, could such studies be summarized to indicate the feasibility of the matter?
3. To the government's knowledge, have American authorities made any studies or plans with regard to the possibility of keeping the American Soo locks open in the winter?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

1. The department has continually under review the question of improved methods of dealing with winter navigation in Canada. Programs involved range from development of icebreaking capabilities to studies of various technical experiments. All of these are of general applicability rather than related to any one port. In the case of the lakehead, the next most useful step will be the experience gained when the department's new great

lakes vessel, which is being built to ice-breaker standards, comes into service and is available at the lakehead for use, in about 12 to 18 months' time.

2. Answered by No. 1 above.

3. It is understood that the United States authorities have performed a number of experiments regarding the keeping of the locks open under winter conditions, but the department is not aware of any definite decisions or plans by the United States authorities to keep the United States locks open for any specific winter period.

DREDGING WORK, LOWER FRASER RIVER

Question No. 244—**Mr. Hahn:**

1. Was certain dredging work carried out on the lower Fraser river between Tree island and the mainland (north side) or Lulu island during the past summer? If so, who authorized the work?
2. Was there a time limit on the project? If so, what date was the work to commence and terminate?
3. What was the purpose of the project?
4. Has the work been completed according to plan? If not, what is its present position?
5. Where were the dredging spoils from this project deposited, and by whose direction?
6. Has such fill material any monetary value in this area? If so, how much was received from its sale?
7. Was any crown land, either provincial or federal, requiring fill within a convenient deposit distance of this project?
8. Was any payment offered on a quantity basis for dredging spoils deposited on private land within dumping distance of this project at any time since February 1, 1957? If so, who made the offer and on what terms?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Dredging was carried out on the lower Fraser river between Tree island and the north side of Lulu island. This work was carried out by plant owned by the Department of Public Works who authorized the work.

2. This project was part of the schedule of work to be done by dredge P.W.D. No. 322 during the 1957 dredging season and no fixed dates were established for commencement or completion.

3. The purposes of this project are to block the upper end of the channel between Tree and Lulu islands and thus reduce dredging in the main channel above the block; to dredge out and improve the channel between Tree and Lulu islands below the block for all the holders of riparian rights adjacent to it.

4. Work has been virtually completed according to plan.

5. The spoil from this project was deposited in the provincial crown land located in the channel between the end of Tree island and Lulu island. Some surplus spoil was deposited on private land located adjacent to this spoil area.

6. The spoil has no monetary value in so far as the federal government is concerned and the spoil was not sold.

7. Provincial crown land requiring fill located in the channel between Tree island and Lulu island was used as a spoil area. Some surplus spoil was placed on private land adjacent to this crown land.

8. No payment was offered on a quantity basis for dredging spoils deposited on private land within a distance that could be serviced by equipment owned by the Department of Public Works.

UNEMPLOYMENT REGISTRATIONS, TERREBONNE COUNTY, QUE.

Question No. 254—**Mr. Raymond:**

How many persons are registered as unemployed at the unemployment offices at St. Jerome, Ste. Agathe des Monts and Ste. Therese, county of Terrebonne, at the present time?

Answer by: **Hon. Michael Starr (Minister of Labour):**

The number of persons registered for employment at local offices of the unemployment insurance commission at St. Jerome, Ste. Agathe des Monts and Ste. Therese at November 21, 1957, the latest date for which information is available, are as follows:

St. Jerome	1,085
Ste. Agathe des Monts	572
Ste. Therese	1,091

STE. AGATHE DES MONTS—WHARF

Question No. 256—**Mr. Raymond:**

1. Has a site been acquired for the building of a wharf in the town of Ste. Agathe des Monts, county of Terrebonne?
2. If not, are there any negotiations going on between the town of Ste. Agathe des Monts and the federal government at the present time, in this regard?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. No.

2. No.

NATIONAL DEBT

Question No. 265—**Mr. Holowach:**

1. In terms of dollars, what is the present position of the federal government of Canada respecting (a) gross national debt including all liabilities; (b) public debt in terms of per capita liability?
2. Since its inception, what is the total amount of interest that has been paid on the nation's debt?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. At March 31, 1957:

(a) $18,326,200,000; (b) 1,106.79.

2. To March 31, 1957:

$9,924,493,432.

HOUSE OF COMMONS

Friday, December 6, 1957

The house met at eleven o'clock.

COMMITTEES OF THE HOUSE

MISCELLANEOUS PRIVATE BILLS—FOURTH AND FIFTH REPORTS OF STANDING COMMITTEE—CONCURRENCE IN FOURTH REPORT

Mr. C. E. Rea (Spadina) presented the fourth and fifth reports of the standing committee on miscellaneous private bills, and moved that the fourth report be concurred in.

Motion agreed to.

Sixth and seventh reports of standing committee on railways, canals and telegraph lines.—Mr. Fraser.

HOUSING

BRITISH COLUMBIA—ANNOUNCEMENT OF JOINT FEDERAL-PROVINCIAL PROJECTS UNDER N.H.A.

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I wish to announce that the federal government and the province of British Columbia have agreed to undertake jointly a low rental housing project in Vancouver, and a project for the development and servicing of residential land in Duncan, British Columbia, under the provisions of section 36 of the National Housing Act.

The housing project in Vancouver is being undertaken at the request of the city. It will consist of approximately 170 low rental units of various types, about 36 of which will be made available to senior citizens. This development is the second federal-provincial low rental housing project in the city. It is anticipated that it will cost about $1½ million. The project will be made available to families with low incomes. The rental should average about $44 or $45 a month. The cost of the project, as well as any operating losses, will be shared 75 per cent by the federal government and 25 per cent by the province, or by the province and the municipality if those two governmental bodies so wish.

This project will serve not only a very useful social need, but will provide as well additional employment opportunities to the construction industry in Vancouver. In the early days of the project it is likely that approximately 350 men will be employed on the site, and employment for a similar number will be provided in mills and plants off the site which manufacture housing equipment.

The project at Duncan, British Columbia, will also be undertaken by the federal-provincial partnership under section 36 of the National Housing Act, and will result in the development of an estimated 162 fully serviced residential lots for sale to prospective home owners. This project is designed to meet a growing shortage of serviced building lots in Duncan. It is estimated to cost approximately a quarter million dollars. As is usual in this type of project, the federal government will bear 75 per cent of the cost, with the remainder being borne by the province of British Columbia. When the services are installed these lots will be offered for sale at prices commensurate with the cost of development.

I wish to announce as well that the federal government has authorized the Central Mortgage and Housing Corporation to make a grant of approximately $7,400 to the city of Trail, British Columbia, to assist it in carrying out an urban renewal study. This grant is being made under part V of the National Housing Act, 1954. It is hoped that the study will assist the city in identifying areas of blight and in developing an orderly program of redevelopment, rehabilitation and conservation.

Hon. George C. Marler (St. Antoine-Westmount): Might I ask the minister whether other projects of like character in other provinces of Canada are now under consideration?

Mr. Green: Yes. The hon. member will be interested to know that ten days or two weeks ago we wrote to the city of Montreal concerning the Dozois scheme. I received a letter back from them just a few days ago. We are prepared to do our part to get ahead with that scheme as quickly as possible.

Hon. James Sinclair (Coast-Capilano): I am sure the people of British Columbia will welcome this announcement. I wonder whether the minister can tell us in what area of Vancouver this new development is to be located?

Mr. Green: It is on Nanaimo street—

Mr. Winch: And Forty-first.

Mr. Green: I forget the avenue.

Mr. Sinclair: It is in the east end.

Mr. Green: Nanaimo street and Forty-first avenue.

Mr. Daniel McIvor (Fort William): A supplementary question, Mr. Speaker. Must a city first ask for this housing project before the government takes action and, if so, has Fort William asked for anything?

Mr. Green: Mr. Speaker, the cities make the request initially. We could not very well move into a city and start this sort of development without the approval of the city. I am sure the hon. member would not want us to raid Fort William in that way. So far as I know there has not been any such proposal from the city of Fort William, at least in recent weeks.

Mr. McIvor: Thank you; there will be.

N.H.A.—PREVENTION OF FORECLOSURE ON HOMES OF UNEMPLOYED VETERANS

On the orders of the day:

Mr. A. B. Macdonald (Vancouver-Kingsway): I should like to ask the Minister of Public Works a question. Will the Minister of Public Works assure the house that foreclosure proceedings will not be taken on mortgages or agreements held by Central Mortgage and Housing Corporation in veterans' projects such as Renfrew Heights in Vancouver, where purchasers are unable to keep up monthly payments owing to unemployment?

Hon. Howard C. Green (Minister of Public Works): I shall be glad to look into this situation.

FINANCE

INQUIRY AS TO FORTHCOMING ANNOUNCEMENT BY MINISTER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. Will the minister give the house an undertaking that any tax changes which he may announce tonight will be presented as motions in the committee of ways and means, with opportunity provided for those motions to be discussed and that the decision on any such motions will be taken at this session of parliament?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I think before my hon. friend attempts to indicate what procedure should be followed it would be well to wait and see what is proposed.

Now, as to the procedure, I can assure hon. members that whatever procedure is followed will certainly provide ample opportunity for discussion. As to the third point the hon. member raised, I can assure him that any statement I make tonight is made in the hope of action on the part of the house at the earliest possible moment.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question. In view of the repeated assurances given by the Minister of Finance that if he had any budgetary proposals to make the usual kind of notice would be given to the house in advance, does he regard his failure to give notice of his intentions for this evening as an implementation of those assurances?

Mr. Fleming: Mr. Speaker, I have not made the statements attributed to me by the hon. gentleman, so I think his question in the second part requires no answer on my part. My statements are a matter of record—

Mr. Sinclair: They sure are.

Mr. Fleming: —and the hon. member may rest assured that whatever has been said will be fully implemented.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on a question of privilege, I would refer the minister to *Hansard* of November 13, at page 1066. That is a date as well as a page number that might be noted. The Minister of Finance said this in reply to a question of mine concerning budgetary proposals—not a budget, budgetary proposals. He said:

> Mr. Speaker, whatever is put before the house in that regard on behalf of the government will be done in due course and the house, in accordance with the usual practice of ministers of finance as I have observed it in the past 12 years, will be notified in due course.

My question of privilege, Mr. Speaker, is that the practice of the past 12 years has been for the minister of finance to announce a few days or several days in advance of the time that any budgetary proposals would be placed before the house. In this case no such announcement was given. We know what is going to happen tonight only because we pulled it out of the house leader last night.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I think the hon. member is not correct in trying to anticipate what will be done. I think the proper course for the house is to await the event before criticizing what is to be done, when the house has not been fully informed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker—

Mr. Fleming: Mr. Speaker, on the question of privilege, I think in fairness to the facts two things should be said. My friend has referred to the practice. Evidently the practice appears to different members of the house in a somewhat different light. I can

assure my hon. friend there is one practice there will be no intention of following, and that is the introduction of financial proposals by radio.

On the second matter, I can repeat my assurance that there will be ample opportunity afforded for discussion of whatever may be put forward before the house tonight. I have been asked more than once what would be the proposals of the government of a financial nature. I indicated then that I would be prepared to make a statement on that subject for the information of hon. members when the estimates of the Department of Finance were called. They are being called tonight.

It is quite incorrect and I think utterly unworthy to say that this statement was wrung out of the leader of the house last night. That is quite untrue. The fact is that intimation was given several days ago that the estimates of the Department of Finance would be before the house this week.

Mr. Sinclair: How many days ago?

Mr. Fleming: That was given several days ago. My hon. friend has only to add two and two together and arrive at four to realize on that information that the financial proposals of the government, whatever they might be, would be laid before the house.

Mr. Knowles (Winnipeg North Centre): I rise on another question of privilege. The Minister of Finance has said that something I said was unworthy of me, when he referred to my statement that we had to pull this out of the Minister of Public Works last night. *Hansard* for yesterday, at page 1948, records the Minister of Public Works as saying:

> . . . and then in the evening we shall take up the estimates of the Department of Finance.

That was all he told us until the hon. member for Laurier (Mr. Chevrier) began to question him, and it was as a result of that questioning that we learned there would be a statement tonight having to do with tax reductions. I submit that my statement was perfectly correct and in accordance with the record. The Minister of Finance has not kept his assurance that he would make an announcement on this matter.

Hon. Howard C. Green (Minister of Public Works): I do not know why I should be dragged into this duel. It certainly was thoroughly well understood by everyone, including the hon. member for Winnipeg North Centre, who I am sure gets all the privileges that anyone gets in this house. It was thoroughly understood that the Minister of Finance was going to make a statement on the financial situation when his estimates were called; and for the hon. member for Winnipeg North Centre to rise in his place and say that he had to drag something out of me last night is just ridiculous.

Mr. Chevrier: I think I had to do it.

Mr. Speaker: Perhaps this discussion is ended. I hope I will not have to say what I intended to say. If any other hon. member wishes to pursue the matter I have something to say on the subject.

[*Later:*]

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, I should like to direct a question to the Minister of Finance in the hope that he may be able to clear up the confusion with regard to today's business which is occasioned mainly by the statement he made yesterday as reported at page 1896 of *Hansard*, half way down the page, in referring to the order of business:

> —matters pertaining to the financial policies of the government will be open for consideration when the estimates of the Department of Finance are submitted to the committee of supply.

That was the statement made by the minister. Then we find this:

> Mr. Knowles (Winnipeg North Centre): That is tomorrow?
>
> Mr. Fleming: No, that is not tomorrow.

In view of that categorical statement, how is it that tonight he expects to produce the estimates of the Department of Finance?

Mr. Speaker: Order. This matter has been discussed at some length already this morning by way of what seemed to be points of order and questions of privilege relating to something that is to happen tonight. It seems to me that the house, in trying to deal with this matter, or in raising points of privilege and order, is anticipating something that is to happen later and it does not seem to me to be in order to do this. Statements have been made as to the business tonight, and I think hon. members should await the event.

Mr. Sinclair: I may not have made my point quite clear to you, Mr. Speaker. Yesterday the Minister of Finance said we would not be discussing the estimates of the Department of Finance today. That was the point raised by other hon. members as to the lack of notice, the lack of preparation. I think the very least he could have done was to rise on a question of privilege at the opening of the sitting and say he was wrong yesterday when he said that we would not be discussing finance today.

Mr. Fleming: I shall be only too happy to relieve the mind of my hon. friend, and relieve any suspense on this question that may be in the minds of hon. members or even in my own mind.

Mr. Marler: That will take some explaining.

Mr. Fleming: It was indicated earlier in the week—if I remember correctly, I think on Tuesday—that the estimates of the Department of Finance were expected to be brought before the house sitting in committee of supply before the end of the present week. On Wednesday night the indication was given to the house by the leader of the house that on Thursday the estimates of the Department of Finance would be brought before the house.

An hon. Member: Department of defence.

Mr. Fleming: Department of National Defence, I should say. It was not altogether clear at that time as to what on the two following days of the week, namely Friday and Saturday, would be the order of business. He expressly reserved any specific statements about the order beyond that time.

Mr. Benidickson: Read what he said on Tuesday.

Mr. Fleming: I am speaking from recollection. My hon. friend will recall what I said, when the statement was made yesterday morning by myself, that I did not expect that the estimates of the Department of Finance would be on today—

Mr. Sinclair: You did not use the word "expect".

Mr. Fleming: —I fully expected that the estimates of the Department of Finance would be called tomorrow morning. It so happens as to the estimates of the Department of National Defence that the progress that was expected was not made with them. Consequently it was thought wise last night that there should be a variation in the plans for the business of the house for the balance of the week to this extent, that instead of waiting until Saturday morning for the estimates of the Department of Finance, they would be taken up on Friday evening. That is the extent of the change. As to the estimates of the Department of Trade and Commerce, they are waiting to be called today.

The leader of the house cannot estimate precisely how long the house is going to occupy in committee of supply on the estimates of any one department, and he is doing his very best to give the fullest information to the house on these matters. In view of the fact that requests have been made in relation to the estimates of the Department of Finance, I would have thought that the advance in the introduction of those estimates from Saturday morning at eleven o'clock to Friday night at eight o'clock is not a very serious matter and might have been welcomed by my hon. friends in the light of some of the things they have been saying earlier in the session.

Mr. Sinclair: I am sure they would have been welcomed if it had been any other department than finance and when instead of item 1 of the estimates we are going to have budget proposals. Normally the opposition have had three or four days' notice of budget proposals.

Mr. Speaker: I think the house is now fully informed of what is going to take place tonight.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I ask the Minister of Finance a question. Since he is going to discuss probable tax and budgetary matters tonight, is he going to place before the house, so that we may have it in our possession, a white paper which is the usual procedure before making tax changes?

Mr. Fleming: Mr. Speaker, I dealt with that subject some days ago and I made it quite clear at that time—

Mr. Coldwell: You have dealt with so many things in so many different ways.

Mr. Fleming: —that there was no intention at this session of tabling a white paper. I invite my hon. friend to read back in *Hansard*.

[*Later:*]

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Minister of Finance a question. I wonder if in view of the point my colleague has just raised about the statement by the minister and the apparent confusion that exists, will the minister not give consideration to putting over his statement on finance until tomorrow so as to give us an opportunity of considering the position that will be brought about by his statement? There are a number of hon. members here who are anxious to speak, and it does not give them very much time in view of the statement that was made by the house leader. I also understand that the Minister of Trade and Commerce is most anxious to get ahead with his estimates because he must return to the United Kingdom. I wonder if in view of all these circumstances the minister would not give consideration to putting over consideration of his estimates until tomorrow?

Mr. Fleming: Mr. Speaker, I am always glad to oblige my hon. friend and other hon. gentlemen opposite, but may I recall to him that there have been repeated requests for a statement on the part of the Minister of Finance about the financial position, and in some cases they have been accompanied by

quite unfounded assertions that there has been delay in making such a statement. Effort has been made to advance this statement for the convenience and information of hon. members.

In the second place, my hon. friend spoke about the desire of hon. members to discuss this subject. I can assure him that there will be ample opportunity afforded for that purpose. There will be just as much opportunity afforded for that purpose if we proceed this evening at eight o'clock as there would be if we were to proceed tomorrow morning at eleven o'clock.

Mr. Chevrier: My only purpose in asking the question was that last night I gave some indication that it was the custom of the house to give notice of these proposals, and I wondered whether in view of that practice and tradition the minister would not accede to my request.

Mr. Fleming: Mr. Speaker, I think there has been frequent and abundant notice given to the house already—

Mr. Pearson: That it would not be done.

Mr. Fleming: —both as to the time and as to the nature of the statement I have been asked to make on the introduction of my estimates.

Mr. Coldwell: Mr. Speaker, may I ask a supplementary question of the Minister of Finance. Is it not usual when budgetary changes are made that all parties in the opposition are given an opportunity for some hours at least to consider what those changes may involve so that we may adequately prepare to discuss them? Is this not the case, and is it not a reasonable request that the discussion be put off for at least some hours? In fact, I was going to suggest that it be put off for a day or so, which is usual.

Mr. Fleming: Mr. Speaker, I do not think the practice has been at all what my hon. friend has suggested. I take it that it is the duty of all hon. members of the house to prepare themselves in advance for all questions that may arise in the course of a session. There has been a great deal said, not least of all by my hon. friend and those who sit with him, concerning the financial position and asking for a financial statement on the part of the government. I am simply complying with the requests that have been made by the hon. gentleman and others. I have said, I do not know how many times already, that there would be ample opportunity afforded for discussion.

Mr. Coldwell: May I ask the minister a further question. Is it not a fact that the financial spokesman for the official opposition has invariably asked that the debate on budgetary changes—and we understand something of that kind is going to occur tonight—should be postponed for some hours, in fact usually for two or three days, although I am not asking for that? The minister seems to have a queer way of twisting what individuals in this house have said.

Some hon. Members: Order.

[*Later:*]

Mr. A. W. Stuart (Charlotte): Mr. Speaker, I should like to address a question to the Minister of Finance.

Mr. Fleming: Mr. Speaker, with the permission of my hon. friend I would like to revert to the question asked by the hon. member for Rosetown-Biggar. I think he might have forgone the concluding remark he made this morning.

Mr. Coldwell: Not after the irritation I have suffered this morning.

Mr. Fleming: I do not think the hon. member has suffered anything this morning. He has received answers to his questions. If I understand that instead of asking for advance information he is asking for an adjournment tonight I can assure him that we will be only too happy to accommodate the wishes of hon. members in that respect. It is not the practice of the government to give advance information to the opposition concerning financial proposals. My hon. friend is aware that the practice is simply, if the Minister of Finance is using a text, to hand a copy of that text to the financial critic of the official opposition and I believe to the leaders of the other two parties in opposition during the course of the remarks of the Minister of Finance.

Now, it has been the practice in that event, if whoever happens to follow the Minister of Finance on the part of the official opposition wishes not to conclude his remarks on the same occasion, to make part of his remarks and continue on a later occasion, and adjourn the debate for that purpose. Certainly if it is the wish to follow that course there will be no objection from this part of the house. I said there will be the most ample opportunity afforded for discussion, and if that is what the hon. gentleman is asking I can say there will be no objection on this side of the house to adjourning the discussion tonight, if that is the wish of hon. members.

Mr. Sinclair: I might ask a similar question. In previous budgets it has been the practice to accommodate the press. The gentlemen of the press have been locked up for three hours in advance of the budget

proposals, with a copy of those proposals, so they could prepare accurate stories for the benefit of the Canadian people. Has such accommodation been afforded this year to the working members of the press gallery?

Mr. Fleming: My hon. friend keeps talking about a budget. I thought it was made clear to him and to other hon. members on Monday by the Prime Minister that it is not the intention of the government to submit a budget.

Mr. Green: With regard to the business, I think hon. members opposite may not have understood the implications of the finance minister's remarks. If it is the wish that we stop considering the estimates of the Department of Finance after the minister has made his statement, or after someone in the official opposition has commenced a reply, we would be very glad to do that and for the remainder of the evening deal with the estimates of the Department of Trade and Commerce. If, again, hon. members opposite do not wish to go on with the finance estimates tomorrow, then we will place other estimates before the house.

Mr. Chevrier: That was not my request nor my question. My request was that the consideration of the estimates be put off until tomorrow.

Mr. Green: We cannot agree to that, Mr. Speaker, but we would be willing to accommodate the opposition parties in the other way I have just mentioned.

Mr. Coldwell: May I say to the Minister of Public Works that what he has just said is very fair.

Mr. Low: Mr. Speaker, I would like to indicate to the house leader that the arrangement just suggested would be agreeable to us. I think it would be a very suitable arrangement.

Mr. Sinclair: Perhaps in my capacity as financial critic of the opposition I might point out that it is going to be very difficult to decide right now whether we adjourn or not, because we have not the slightest idea what the hon. member is going to say tonight.

Some hon. Members: Oh, oh.

An hon. Member: Who has?

Mr. Churchill: Do you want to write his speech for him?

Mr. Speaker: Order. We are discussing the arrangement of the business of the house. I think it might be limited to the house leader and the spokesmen for the other parties.

[Mr. Sinclair.]

Mr. Chevrier: The minister without portfolio is going to settle the problem.

Mr. Sinclair: There is always plenty of warning.

Mr. Green: I see no reason why that decision cannot be made this evening. We could then switch to other estimates, if it is the wish of the members in the other parties.

Hon. J. M. Macdonnell (Minister without Portfolio): As I have been referred to, I should like to say a word. It was my privilege for several years to follow the Minister of Finance when the budget was delivered; but I received a copy of the budget speech only after the minister had begun to speak.

Mr. Chevrier: You had several days' notice, and you put us to sleep besides that.

Mr. Brooks: The hon. member has not wakened up yet.

Mr. Chevrier: And he has not wakened up yet. The Minister of Veterans Affairs stated a truism.

Mr. Knowles (Winnipeg North Centre): If as a result of what the minister says tonight we find ourselves confronted with actual resolutions that obviously would have to be dealt with in committee of ways and means, would it not be better to go into committee of ways and means so we can have the matter debated properly?

Mr. Green: Now I think the hon. member for Winnipeg North Centre is just fishing.

Mr. Stuart (Charlotte): Mr. Speaker, I should like to direct a question to the Minister of Finance. Will the Minister of Finance follow the usual custom of wearing new shoes when he discloses his budgetary changes tonight, or will it be sufficient on this occasion to get a shine only?

Mr. Fleming: Mr. Speaker, I expect to wear the same shoes that I am wearing now. If I can borrow a dime from my hon. friend perhaps I might even get them polished for tonight.

Mr. Hayden Stanton (Leeds): Mr. Speaker, I should like to direct a question to the Minister of Finance. Does he not think the members on the opposition side of the house are desperately afraid that there will be something good for the people of Canada announced tonight?

BANK OF CANADA—REPORTED ADJUSTMENT OF LOAN DISCOUNT RATE

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, may I direct two questions to the

Minister of Finance. My first question is, can the minister advise the house whether a new policy has been enunciated or adopted by the government in the last two weeks which has had the effect of having the Bank of Canada adjust its loan discount rate, which now stands at 3.92 per cent compared with 3.83 per cent during the past week, as reported in this morning's issue of the Montreal *Gazette* under the title, "Money Rate Goes Higher Again"? My second question is:—

Mr. Speaker: Order. Will the hon. member confine himself to one question at a time.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I should think questions of this nature could more properly be asked of the Minister of Finance when the estimates of his department are before the house in committee of supply.

I thought the hon. member was aware that the Bank of Canada rate is established in the light of the current rate from week to week on Dominion of Canada treasury bills sold. The Bank of Canada rate is arrived at by adding one quarter of one per cent to the weekly rate on treasury bills. It happens that after a series of very rapid and almost startling reductions in the rate in recent weeks there was a slight reaction in the past two weeks, fractional in its nature. That was not altogether unexpected, in view of the very rapid reduction of the rate in the preceding weeks.

Mr. Robichaud: In view of the minister's reply I will amend my second question. Does the minister recall that, as recorded on page 597 of *Hansard*, when asked a similar question by the hon. member for Nanaimo relating to what specific steps the government intended to take to lower the interest rate he replied that that part of the question obviously related to a matter of government policy?

Mr. Fleming: I do not recall the statement. I will have a look at it. It does not seem to jibe at all with what I have been saying and the answers I have been giving to the question. The fact is that under a decision taken by the Bank of Canada well over a year ago the Bank of Canada rate follows automatically from week to week the rate on treasury bills.

Hon. James Sinclair (Coast-Capilano): I should like to ask a supplementary question. Does the minister recall that earlier this session, whenever the treasury rate fell, he stood up and proudly said that this was because he was successful in combating inflation? Would he now like to comment on the fact that the rate is rising, and apparently he is unsuccessful in his battle against inflation?

Mr. Fleming: Mr. Speaker, if the hon. gentleman would only be accurate in his premises there might be some ghost of a hope of his being accurate in his conclusions. He starts out with the wrong premise again. As I pointed out—I had hoped that it might have brought satisfaction to members of the house but apparently it has not brought any satisfaction to the hon. member for Coast-Capilano—interest rates had been dropping and the drop in those interest rates in recent weeks had become very material. I observe the glee with which he greets an increase in the rate being paid in the last nine days on Dominion of Canada treasury bills, and with it the automatic results in the Bank of Canada rate. I may say whatever the government has been able to do has been exerted in the direction of seeking a reduction in interest rates, because the interest rates we found when we came into office five and a half months ago were the highest in a generation, and we think at that height they were detrimental to business in this country.

Mr. Sinclair: Amen.

Mr. Marler: Is it the minister's intention only to take credit for reductions?

Mr. Fleming: It will be the minister's intention in all fairness, I hope, to take credit where credit is due, and where we have had to assume as of June 21 the very doubtful legacy left to us by the former administration—

Some hon. Members: Oh, oh.

Mr. Fleming: —I hope to place the responsibility in that regard where it belongs.

Mr. Marler: Mr. Speaker—

Mr. Harkness: You people even used to take credit for the weather when it was good.

Mr. Marler: —would the hon. member not like to have the situation back as at June 21?

An hon. Member: No, thanks.

Mr. Fleming: I could not wish—

Mr. Speaker: Order. I take it there is no question before the house that requires an answer. It seems to me this exchange is becoming more of a debate than a search for information.

[*Later:*]

Mr. Fleming: Mr. Speaker, I was asked two questions a few moments ago by the hon. member for Gloucester. The second question

which was directed to me struck me, as I said, as a little odd. I did not think his statement of the facts, as I recalled them, rang true. I have now had an opportunity of looking up page 597 in *Hansard*, upon which the question and the accompanying statement were based, and I see that on that date, which was October 31, 1957, I was asked a two-part question by the hon. member for Nanaimo (Mr. Cameron). The first part of the question, which was addressed to me, was as follows:

> 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?

You, Mr. Speaker, intervened to point out that the first part of the question was out of order because the present government could not be expected to answer questions as to something done by the former government; and with respect to the second part of the question you in your ruling said it might, if the minister wished to answer it, involve a matter of policy. My answer was that the second part of the question obviously related to a matter of government policy, and I now draw attention to the fact that the second part of the question was:

> What specific steps does his government propose to take to lower the level of the interest rates?

Obviously any steps that might be taken would be a matter of government policy, but that is not the way the hon. member put his question this morning.

Mr. Marler: Is government policy a secret?

Mr. Robichaud: My question was addressed to the minister to try to find out if it was due to the policy of the government that interest rates had been lowered. According to the minister's statement, he said the second part of the question obviously refers to a matter of government policy. He took credit then for the lowering of the interest rate, and today he is trying to deny responsibility because the rates are going up again.

Mr. Fleming: There is no need to belabour this point. If my hon. friend will only look at the record at page 597 of *Hansard* he will see the question was about what specific steps the government would take, and any specific steps the government would take are naturally a matter of policy.

Mr. Peter Stefura (Vegreville): May I ask a supplementary question of the Minister of Finance. He had said just a few moments ago that any steps taken would definitely be government policy. The question I have is as follows. Has the government taken any steps to have the interest rates reduced?

[Mr. Fleming.]

Mr. Fleming: Mr. Speaker, this matter has been up before, and if my hon. friend wishes a statement on the subject repeating all the things that have been said before, I would be happy to furnish it to him. I think, however, that would probably be a proper matter to be taken up in committee of supply on the estimates of the finance department.

SHIPPING

TRANSFER TO TRANSPORT DEPARTMENT OF H.M.C.S. "LABRADOR"

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, to get back on the rails, may I direct a question to the Minister of Transport. Has H.M.C.S. *Labrador* been transferred from the Royal Canadian Navy to the Department of Transport? If so, is it now in the hands of shipfitters and are its oceanographic and hydrographic instruments and equipment being removed? Is the vessel being converted for icebreaking solely and, if so, what is the estimated cost of the conversion and is it being done by contract or on a cost-plus basis?

Some hon. Members: Order paper.

Mr. Winch: It is a very simple question, and I made it as short as I could.

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 the question. I received it only before coming into the house, and I shall give him the answer prepared by my departmental officials, I assume in the order in which they received the questions.

The answer is that the vessel is now undergoing an extensive refit under R.C.N. direction which will take most of the winter; therefore its exact winter operational role cannot be determined as yet.

The *Labrador* has not yet been transferred to the Department of Transport. Transfer is expected to take place early in the new year, but the nature of any additional conversion work for civil purposes has not been finally determined. The *Labrador*, however, is to be used as an important unit in the substantial fleet of departmental icebreakers and Arctic convoy and supply vessels that operate in the Arctic each summer and during the winter in the gulf of St. Lawrence and Atlantic waters to aid navigation there.

Hon. Lionel Chevrier (Laurier): May I ask the minister in what yard the repairs to H.M.C.S. *Labrador* are being made, and at what cost?

Mr. Hees: I do not have that figure at my fingertips, but I will endeavour to find out.

Mr. Chevrier: Does the minister not know what yard it is?

Mr. Hees: No, I am not sure.

Mr. Winch: May I ask a supplementary question. In view of the minister's answer, will he advise the house whether his department has a continuing interest in developing the gulf of St. Lawrence for winter navigation, and if so will the Department of Transport continue the oceanograph surveys in the coming year which were initiated in 1955 by the Royal Canadian Navy and carried through by H.M.C.S. *Labrador* and the joint Atlantic oceanograph group of the fisheries research board?

Mr. Hees: The answer is yes. Department of Transport vessels have always been available within the limits of their operational tasks to assist other agencies, and the *Labrador* will be in this category.

[*Later:*]

Mr. Hees: Mr. Speaker, a few moments ago the hon. member for Laurier asked me a question regarding the refitting of the *Labrador*. I am pleased to inform him that I now have the information for which he asked. The *Labrador* is being refitted in the Saint John drydock and the estimated cost is $150,000. As a former minister of transport I am confident he would be pleased to know that the navy is paying the cost.

CANADIAN NATIONAL STEAMSHIPS

STATEMENT ON RETURN OF VESSELS TRANSFERRED TO FOREIGN REGISTRY

On the orders of the day:

Hon. George H. Hees (Minister of Transport): I should like to take this opportunity of answering a question of which I took notice yesterday, when the hon. member for St. Antoine-Westmount asked me about the transfer of Canadian National (West Indies) Steamships' vessels to Trinidad registry. I told him I would speak to the chairman of the Canadian maritime commission about this matter and give him further information today.

The chairman of the Canadian maritime commission has advised me that as a normal part of these proceedings, since the time the application was made by Canadian National (West Indies) Steamships, Limited, for transfer of registry he has been engaged in making arrangements to provide that if at any time it should be desired to return these ships to Canadian registry, this could be done along lines similar to the special transfer arrangements which have been in force with the United Kingdom for some years.

Hon. George C. Marler (St. Antoine-Westmount): May I ask a supplementary question. I gather, though, at the time the transfer of registry took place no such arrangement had been concluded?

Mr. Hees: At the time Canadian National (West Indies) Steamships initiated the proceedings transferring the vessels, the chairman of the Canadian maritime commission started the arrangements I have just outlined.

AGRICULTURE

AGRICULTURAL PRICES SUPPORT ACT—REQUEST FOR IMMEDIATE INVOCATION OF AUTHORITY

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, the urgency of my question arises out of the plight of the farmers caused by the price-cost squeeze. I should like to direct my question to the Minister of Agriculture. Now that the government has been in power for over six months, can the minister inform the house why the government has not seen fit to invoke the authority conferred under the Agricultural Prices Support Act which says, in effect, that this act may be used to endeavour to ensure adequate and stable returns to agriculture, and to endeavour to secure a fair relationship between the returns from agriculture and those from other occupations? Can the minister state why the government has not invoked this authority, rather than waiting for future legislation?

Hon. D. S. Harkness (Minister of Agriculture): At the outset may I say that the hon. member is, as usual, inaccurate, because the present government has not been in power for six months. So far as making use of the Agricultural Prices Support Act is concerned, we have made very extensive use of it. We have made very large purchases under it and have placed a number of commodities under it, thus providing support for commodities which were not under the act before. As I say, we have bought a large amount of various agricultural commodities in order to support prices, and that refers to commodities which were already under the act and the ones we have brought under the act.

Right Hon. J. G. Gardiner (Melville): Then may I ask a supplementary question. What are the products that were put under the act which were not under it before?

Mr. Harkness: Mr. Speaker, there were fowl, turkeys—

Mr. Gardiner: No; fowl had been placed under the act.

Mr. Harkness: Fowl were not under it, Mr. Speaker. It had been provided that they would come under at some future time, but they were not under it at that time. Turkeys, butterfat products, particularly butter oil—

Mr. F. S. Zaplitny (Dauphin): May I ask a supplementary question of the Minister of Agriculture. Is the minister prepared to state that the prices which this government has been supporting under this act bear a fair relationship to the general level of prices in Canada?

Mr. Harkness: Mr. Speaker, whether they bear a fair relationship to the general level of prices in Canada or not—and I presume the hon. member is referring to the prices of commodities which are under price support—this is a matter which I think would be capable of a great deal of argument, and I am certainly not going to get into any long discussion on this particular matter at the present moment.

NORTHERN ALBERTA—REQUEST FOR REPORT ON INVESTIGATION INTO HARVEST

On the orders of the day:

Mr. Solon E. Low (Peace River): I should like to ask the Minister of Agriculture whether he could say this morning what progress has been made in getting Prairie Farm Assistance Act inspectors into the Peace river country to establish the extent of crop damage that has been caused by the unusual, tragic weather conditions in that area.

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I have no report within the last two or three days with regard to that matter. As I indicated to the hon. member, I think about a week ago now, arrangements were under way to take on between 40 and 50 inspectors in order to try to get the entire Peace river area inspected in the quickest possible time.

Mr. Low: I have a supplementary question; perhaps the minister could answer it. Judging from the reports he has already received, does he feel that the maximum benefits possible under the Prairie Farm Assistance Act will be enough to meet the minimum most urgent needs of the farmers in the stricken Peace river area?

Mr. Harkness: From the numerous letters I have received from individuals, boards of trade and so forth in the Peace river country, it would appear that there will be a relief problem there. That, of course, is the responsibility of the municipalities, and of the province of Alberta. The only provision of which I know under which we can assist with regard to this disastrous situation in the Peace river country is by Prairie Farm Assistance Act payments.

Mr. H. R. Argue (Assiniboia): I have a supplementary question. Has the minister given any consideration to making cash advances or money available on unthreshed crops in the Peace river country, as was done by the former administration in 1951.

Mr. Harkness: I think perhaps the hon. member for Assiniboia has forgotten what I said a week ago in connection with this matter. The estimates are that no more than about 10 per cent of the grain that is left up there will ever be threshed. It is therefore hopeless to talk about making cash advances on a crop which is gone.

HOUSING

ALEXANDRA AND MOSS AREAS, TORONTO—REDEVELOPMENT PROPOSALS

On the orders of the day:

Mr. Stanley Haidasz (Trinity): I would like to ask a question of the Minister of Public Works, as to whether his department or the crown company, C.M.H.C., has received any proposals from the Toronto development department asking for federal aid to redevelop the Alexandra park and Moss park areas?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, may I take this question as notice.

GRAIN

PERMITS FOR VETERANS TO QUALIFY FOR CASH ADVANCES

On the orders of the day:

Mr. G. H. Castleden (Yorkton): I would like to ask a question of the Minister of Veterans Affairs. Would the minister inform the house what arrangements have been made to provide veterans under the Veterans' Land Act with permits from his department which are necessary to qualify them for cash advances under present regulations?

Hon. A. J. Brooks (Minister of Veterans Affairs): Mr. Speaker, I appreciate receiving notice from the hon. member of his intention to ask this question. Veterans established under the Veterans' Land Act may apply for cash advances in the same way as other producers. If the director, the Veterans' Land Act, has been shown on the permit book, the veteran forwards his completed advance payment application form to the district superintendent, Veterans' Land Act, who has

been authorized to sign for the director. The form is then returned to the veteran to proceed with his application in the usual way.

Mr. Castleden: A supplementary question. Have any arrangements been made to speed up and prevent delays, because many of these veterans are in a very serious condition with regard to cash and it is necessary for them to have these permits as soon as possible. What has been done to prevent delays in this matter?

Mr. Brooks: I will look into this matter, Mr. Speaker. My information is that arrangements have been made so that no delays will occur, but I will check up on that.

LABOUR CONDITIONS

BRITISH COLUMBIA—REPORTED CLOSING DOWN OF HOWE SOUND COMPANY

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): I would like to address a question to the Minister of Justice. Now that the management of Britannia mines has announced that the mine is to close in two weeks, would the minister tell the house what proposals, if any, the federal government made to assist in keeping this mine in operation?

Hon. E. D. Fulton (Minister of Justice): The hon. member will recall, if he will cast his mind back, that I indicated to him and the house yesterday that the information I have from the company officials in New York is to the effect that there is still a possibility that negotiations and discussions may result in partial continuation of operations. Therefore it seems to me it will be obvious to him that until we have had a chance to pursue those negotiations there is nothing I can report.

CANADIAN PACIFIC RAILWAY, WINNIPEG—STATEMENT ON REPORTED DISMISSAL FOR FAILURE TO CROSS PICKET LINE

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, on November 14 the member for Winnipeg North Centre asked the following question:

> Is the minister aware that the members of a Canadian Pacific switching crew in the Winnipeg area who felt that they could not cross a picket line two days ago have been informed by the Canadian Pacific Railway that their services are no longer required?
>
> Will the minister look into this matter to see if there is not some protection for such employees under the national labour code, since these employees do come under federal labour jurisdiction?

My answer is as follows. I have looked into the situation, Mr. Speaker, and I am informed by the management of the Canadian Pacific Railway Company that rather than being told that their services were no longer required, the employees in question were temporarily suspended pending investigation. Following the investigation they were returned to duty.

I am informed that disciplinary action was taken and I quote from the report I received:

> Each crew member was returned to duty and assessed 15 demerit marks on the first offence and 25 demerit marks on the second offence.

I understand that such demerit marks are reduced by 20 for each subsequent year's clear service, free of discipline. Accumulation of 60 demerit marks is required for dismissal. At the moment all the men are back at work.

As to the matter of protection under the national labour code, by which term I presume the hon. member means the Industrial Relations and Disputes Investigation Act, for employees who refuse to cross picket lines, I may say that there is a provision in the act which requires the inclusion in every collective agreement of a procedure for the final settlement of grievances arising out of the alleged violation or interpretation of the provisions of the agreement.

TRADE

STATEMENT ON REQUEST FOR REPORT ON MISSION TO COMMUNIST CHINA

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, several hon. members have asked me questions with regard to the trip to China made by our trade commissioner, Mr. Forsyth-Smith. He has now returned to Hong Kong and in a preliminary report he tells us he was well received by the various members of the Chinese trading corporations. Until Mr. Forsyth-Smith has completed his studies it is not possible for him to give an accurate appraisal of the trade potential which exists in China for Canadian products. It is his first opinion, however, that there are definite opportunities in certain directions, but that the volume of business which we might expect in the near future must be limited.

As might be expected, there is in China a lack of knowledge of what Canada has to offer, so that efforts must be made by those interested in selling to China to acquaint the Chinese with those items which we wish to sell. Our trade commissioner believes that more Canadian businessmen should endeavour to pay personal visits to that country.

Amongst the products in which our trade commissioner thinks reasonably good prospects exist are wood pulp, fertilizer, aluminium, kraft paper, linseed, plastic raw materials, insulin, nylon and rayon yarn and staple fibre, cellophane, and a wide range of industrial chemicals.

I might add that the export-import business in China is exclusively in the hands of some 16 state-owned corporations, and our trade commissioner was able to have discussions with most of them.

Mr. M. J. Coldwell (Rosetown-Biggar): Does the minister not think the knowledge of Canada among the Chinese would be greatly improved if we had a proper diplomatic mission there, after the recognition of the government of that country?

Mr. Churchill: I expect there are many questions on which knowledge of Canada by the Chinese might be improved.

Hon. L. B. Pearson (Algoma East): Will the minister not agree that some of the commodities he has just mentioned in his report are also on the list of prohibited exports to China, and that unless that list can be changed to bring it into conformity with the list of prohibited commodities to Russia, trade in those commodities cannot take place?

Mr. Churchill: Agreed.

Mr. W. M. Benidickson (Kenora-Rainy River): I have a supplementary question. The other evening I asked the Minister of Trade and Commerce, when we were debating the bill to amend the Export Credits Insurance Act, whether or not he felt that under present conditions, looking forward to trade with China, he would feel disposed to recommend to his colleagues insurance under section 21 of the act. He did not reply to my question at that time. He simply said that Canada would be glad to sell to any country including China, but he did not say specifically what his views are with respect to the opportunity for insurance.

Mr. Churchill: That is attempting to cross a bridge before you come to it. If negotiations are entered into with regard to the sale of wheat to China, or if there is an offer from China to buy our wheat and the wheat board considers that it is a good proposition, at that point we would then consider the problem raised by my hon. friend.

Mr. W. A. Tucker (Rosthern): I should like to ask the minister if it is correct that if we are ever to arrange a sale of wheat to China it will have to be arranged through Japanese sources, because there is no way in which a deal could be made with China or at least these Chinese government corporations directly by the wheat board.

Mr. Churchill: I have no knowledge of that particular matter.

FISHERIES

WEST COAST—REQUEST FOR BOUNTY OR FLOOR PRICE ON DOGFISH

On the orders of the day:

Mr. T. J. Irwin (Burnaby-Richmond): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. I have given him notice of this question, but he may not have had ample time to prepare an answer this morning. Will the minister consider a minimum price for dogfish, to encourage destruction of this predator on the Pacific coast? Will the minister put the present bounty on both livers and carcasses of dogfish to encourage small boat owners to help in destroying this fish? Will regulations be brought down to make present bounties payable to fishermen rather than to fish companies?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I want to thank the hon. member for Burnaby-Richmond for his courtesy in sending me notice of this question. Unfortunately I received it just before coming into the house. I might point out to him that yesterday the hon. member for Comox-Alberni asked me a question on the same subject, which I took as notice. I am not yet in a position to answer either question, but I hope to be in a position to do so in the near future; and at such time as it is possible for me to do so I will answer both questions.

POST OFFICE DEPARTMENT

CANCELLATION OF CONTRACTS FOR RURAL MAIL DELIVERY

On the orders of the day:

Mr. Auguste Maltais (Charlevoix): Mr. Speaker, I would like to direct a question to the Postmaster General. Since the publication of general order No. 125, amended thereafter by general order No. 169, could the Postmaster General tell the house if instructions have been given for the cancellation of contracts held by rural mail contractors? Is he further aware if instructions have been given that contracts are not to be terminated for no apparent reason?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I think the hon. member will find in last Wednesday's *Hansard* certain

observations of mine about detailed questions of this nature which might well be put on the order paper.

Mr. Marler: This is not a detailed question.

Mr. Hamilton (Notre Dame de Grace): If the hon. member will read those remarks he will perhaps place the question on the order paper, and I will be able to see to it that he receives an answer.

Mr. Maltais: As a supplementary question, may I ask the Postmaster General if there were new instructions given by himself that if cases were brought to his attention of mail contracts being terminated for no apparent reason he would take action immediately?

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, very definitely the Post Office Department is not terminating any rural mail carriers' contracts "for no apparent reason".

REQUEST FOR ISSUANCE OF SPECIAL STAMP DEPICTING ROTARY CLUBS, ETC.

On the orders of the day:

Mr. G. R. McWilliam (Northumberland-Miramichi): Mr. Speaker, I should like to direct a question to the Postmaster General. Will the Postmaster General consider issuing an airmail or regular postage stamp depicting Canada's Rotary clubs, members of Rotary International, the world's largest service club?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I will be very glad to give consideration to the hon. member's suggestion.

INQUIRY FOR RETURN

HIGHWAY BRIDGE, CHATHAM-FERRY ROAD, N.B.

On the orders of the day:

Mr. G. R. McWilliam (Northumberland-Miramichi): Mr. Speaker, may I direct a question to the Secretary of State. When may I expect an answer to my question which appeared as question No. 47 on the order paper of October 23, 52 days ago, and which was made an order for return on October 30?

Hon. Ellen L. Fairclough (Secretary of State): Mr. Speaker, I had expected to have this answer ready earlier this week but one of the departments concerned has not been able to reply up to now. However, I can assure the hon. member that we are trying to secure an answer to the question as quickly as possible.

Inquiries of the Ministry

UNEMPLOYMENT INSURANCE

REQUEST FOR EMERGENCY REGULATION TO COVER PACIFIC COAST FISHERMEN

On the orders of the day:

Mr. T. J. Irwin (Burnaby-Richmond): Mr. Speaker, I should like to direct a question to the Minister of Labour, of which I sent him notice. What steps, if any, are being taken to meet the request of the united fishermen and allied workers' union in its letter of November 28, 1957, regarding unemployment insurance?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I wish to thank the hon. member for giving me notice of his intention to ask this question. I have had representations from the united fishermen and allied workers' union requesting a special emergency regulation to permit salmon net fishermen with fewer than 14 weeks' contributions to draw the same benefits as persons with 15 stamps can now obtain under seasonal benefit regulations. As matters now stand, fishermen with 15 stamps will be eligible for seasonal benefits.

The request from the united fishermen involves a further amendment to the seasonal benefit regulations, and it is a matter which would have to be carefully investigated. I have asked the officials of the unemployment insurance commission to obtain the facts in the matter to ascertain what would be the best course to follow.

PENSIONS

SUPERANNUATED CIVIL SERVANTS—REFERENCE TO BRIEF OF OTTAWA ASSOCIATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. Has the minister had an opportunity to read the brief submitted to him by the civil service association of Ottawa on November 15 regarding civil service pensions? Is the government giving consideration to the suggestions made by the association as to ways and means of restoring and maintaining the real value of the pensions of superannuated civil servants?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, all representations that come from the civil service are given consideration. I have no comment to make on this particular brief at present.

Inquiries of the Ministry

CANADIAN PACIFIC RAILWAY—STATEMENT ON COMPLAINTS RESPECTING CHANGES MADE IN PLAN

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I should like to deal with a question directed to me by the hon. member for Winnipeg North Centre on November 28. He asked me whether I had pursued the representations made to my predecessor and to myself regarding changes made in the pension plan of the Canadian Pacific Railway Company.

Before I deal with this question, Mr. Speaker, I feel I must confess to you and to the house that when the hon. member put his question I was perhaps not following the course of the debate with quite the same degree of critical attention which I normally apply to these matters. Thus when I informed the hon. member that I had not had representations made to me on the matter I was guilty of a misstatement. The misstatement was purely involuntary, and I hope the hon. member will not feel that it was made with any intention of misleading him.

Mr. Knowles (Winnipeg North Centre): You are forgiven.

Mr. Starr: The matter of certain alleged anomalies in Canadian Pacific Railway pensions had been brought to my attention in letters from a number of individuals, and when the hon. member asked his question I was awaiting a report from my officials on the matter with regard to the course taken by my predecessor when these same representations were made to him. As I understand the matter, certain beneficial changes were made in the pension plan by the company but they applied only to employees retiring after January 1, 1953, the date when the changes became effective. Representations were made to have the new plan made retroactive.

I understand that my predecessor in this office made representations to the company requesting a study and review of the anomalies which had been the subject of complaint, and he was informed that the cost of making the new provisions retroactive to cover 12,500 employees already on pension would be prohibitive, so much so as to make it impossible to bring in the new features for employees who were due to retire in the future. As the hon. member knows, the Minister of Labour has no jurisdiction over the provisions of a pension plan concerning a private company and its employees. However, I shall certainly undertake to bring once more to the attention of the management of the Canadian Pacific Railway the latest representations which I have received in this regard.

[Mr. Fleming.]

Mr. Knowles (Winnipeg North Centre): Thank you. You have our best wishes.

BROADCASTING

MONTREAL—SPOT ADVERTISING RATES CHARGED BY LOCAL COMPANIES

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 National Revenue arising out of the answer he gave me yesterday, in which he indicated that any letter he received from anyone respecting advertising over station CBM would be referred to the officials of the Canadian Broadcasting Corporation for their action. In view of the fact that the C.B.C. originally set out the scale of charges to be used in determining advertising rates, would he consider making representations to that body now to see that they keep their rates on a comparative basis with those charged by private broadcasters?

Hon. G. C. Nowlan (Minister of National Revenue): Mr. Speaker, I do not think that the minister simply responsible for reporting to parliament respecting the C.B.C. should attempt to interfere with the commercial policy of that corporation. I do not think it has been done. I am willing to give the matter some consideration, but as it is an independent crown corporation which is going to be seeking funds from parliament with which to carry on it would hardly appear to me, to give an off the cuff answer and without giving the matter more careful consideration, to be good policy to suggest to that corporation that it should cease obtaining commercial revenue, when I presume parliament undoubtedly will be telling it that it will perhaps have to do without as much money as it would like to get and therefore should earn more revenue.

Mr. Chevrier: You might give it a hint some day.

Mr. Hahn: I did not hear all the minister had to say and will have to read it in *Hansard*. However, if this practice is to continue I would ask if he would see to it that the $37 million subsidy in the estimates for the broadcasting corporation is withdrawn.

SUPPLY

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

DEPARTMENT OF TRADE AND COMMERCE

General administration—

414. Departmental administration, $672,473.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Chairman, this is the first opportunity I have had to report to the

house with regard to the general trade situation of Canada, and to deal perhaps with other matters. The Department of Trade and Commerce ranges over a very wide field and it will be impossible, without taking too much time, to deal with all the aspects of such a large department. I should like at this stage to express my appreciation to the members of the department who have given me such expert assistance during the last several months. They constitute a very highly trained and competent section of the civil service.

I thought it might be wise to refer chiefly to two main matters; first the trade commissioner service, which is so widely spread throughout the world, and second, the general state of Canadian trade and development in relation to other countries.

The trade commissioner service is responsible for the promotion of Canadian export trade and for the protection of Canadian commercial interests abroad. Hon. members are, I think, well acquainted with the trade commissioner service and the very useful work the service has done in the past. Recently I had occasion to visit a number of our posts in Europe in connection with the sale of Canadian wheat and I must say that this very close contact with our trade commissioners in the field confirmed in my mind the high reputation which these men have acquired for themselves. It also confirmed the opinion which has been expressed to me on so many occasions by our producers, manufacturers and agriculturists that our trade commissioners are making a substantial contribution to Canada's well-being in the export field.

The trade commissioner service now has 57 posts abroad. These are located at strategic centres of trade throughout the world, wherever it is considered that possibilities exist for the further development of Canadian trade. The trade commissioners are constantly on the watch for opportunities to increase Canada's export trade and to safeguard Canadian interests abroad. From these posts reports are constantly received advising of foreign commercial policies and economic trends, on conditions in the territory, and at the same time bringing to the attention of Canadian producers specific opportunities for the development of trade.

While most areas of the world are covered by these 57 posts there are still certain sections which I believe warrant more intensive consideration. We have constantly under review the need for offices in these areas. During the past year, for example, 12 posts have been opened in Hamburg, Vienna, Colombo, Los Angeles, and just recently in Accra. These new posts will aid considerably in the development of our markets in these countries. There are still, however, a number of areas where I believe we should have offices. The Middle East, in spite of troubled conditions, I think should receive better consideration than it is possible to give with our present offices. Consideration is being given also to new offices in the Far East, which is constantly growing more important to Canadian trade interests, as well as to establishing more offices in the United States.

The trade commissioner service at present comprises 127 offices. A high standard is maintained for entry into the service. Recruiting is by competitive examination held usually once during each year. Candidates must meet rigid standards as to education, physical fitness, age and general suitability, and they are drawn from all sections of Canada. Just last year 10 young men were accepted into the service. After a year's intensive training in Ottawa, during which time they are on probation, they are sent on a tour of Canada to acquaint them first hand with the Canada which they will represent commercially abroad. They are then posted abroad to work under the guidance of more experienced officers. Regular and annual recruiting into the service is essential if we are to maintain a young, virile corps of officers, and I hope nothing will be allowed to interfere with this.

I might add that from my own personal observations and meeting with these officers abroad, I have reason to believe that we are very well served in these stations. In addition to that, I have had quite a number of letters from businessmen who have been active in business interests abroad, reporting to me that they have been thoroughly served by our trade commissioners. I feel that our trade commissioners are a credit to Canada.

I thought I would continue, Mr. Chairman, with some remarks concerning Canada's present trade position. During the past year sales abroad have been subject to conflicting influences. On the one hand there have been extensive additions to capacity in the export industries, including a number of commodities relatively new in Canadian trade. On the other hand, there has been a general softening in world commodity markets and a decline in industrial output in the United States, particularly in durable goods. Renewed measures of restriction in the United Kingdom have been an important factor limiting further expansion in Canada's foreign sales, and in the case of wheat marketing difficulties have arisen from ample world supplies and have been accentuated by the surplus disposal measures of the United States.

In these circumstances the value of Canadian exports for the first ten months of 1957 amounting to $4,026 million, on the basis of preliminary October figures, have been slightly above the corresponding period for the previous year. Items showing substantial gains compared with the previous year include uranium, crude petroleum, primary steel, iron ore, nickel, aluminum and flaxseed. The principal decline occurred in wheat and flour; in lumber, which was adversely affected by less residential construction in the United States and in the early part of the year by high ocean rates; in copper, which has declined substantially in price; and in aircraft following the completion of orders.

Looking at Canada's sales to individual countries, exports to the United States are up moderately while those to the United Kingdom have declined somewhat. There have been significant increases in sales to a number of European and Latin American countries and to Japan. The value of imports into Canada for the first ten months of 1957 amounted to $4,784 million, which remains virtually the same as in the corresponding months of 1956. Examination of the sources of these imports shows a decline in the value of purchases from the United States of more than $60 million or about 2 per cent, and an increase in purchases from the United Kingdom and other commonwealth countries of $46 million, amounting in percentage terms to about 8 per cent.

With total exports up slightly and imports unchanged this year compared with last, Canada's merchandise deficit is slightly lower in the first ten months. In recent months exports have shown a firmer trend than have imports. Whereas in the early part of the year the deficit had increased compared with levels of a year ago, during the last six months it has declined. Continuation of this trend would bring a reduction in the over-all deficit in the period ahead.

Encouraging progress has thus been made toward two of the objectives of the present administration, the reduction of our large deficit on merchandise trade and the expansion of the share of our imports coming from the United Kingdom. We shall continue to pursue both these aims vigorously in the future.

I do not think any government in Canada's history has done so much in such a short time to implement its trade policies. Within a few days of assuming office the Prime Minister put before the prime ministers' conference in London a proposal for a commonwealth trade and economic conference. Then followed the meeting of commonwealth finance ministers at Mont Tremblant, where there was unanimous agreement to hold such a conference next year. Indicating the importance we attach to our trade with the United States and other non-commonwealth countries, we met with Messrs. Dulles, Benson, Weeks and Anderson of the United States cabinet in Washington in October, and in the latter part of the same month I had the honour to represent the Canadian government at the ministerial meeting of the general agreement on tariffs and trade.

We are hopeful that the commonwealth trade and economic conference next year will bring about a strengthening and broadening of our economic ties with the great family of nations to which we belong. It is not the intention of the government to interfere with the profitable trade we are carrying on with other countries. In fact we believe that the policies we are pursuing will put our relations with all trading partners on a healthier, more stable basis. In the last few years our trade with different countries has been developing in a lopsided and uneven manner. This may be good for some of the people some of the time, but it is bound to bring a reaction in the long run. An orderly and balanced growth of our trade will be beneficial to our entire economy. It will offer plenty of opportunities for other countries to do business with us.

I emphasized our interest in carrying on and increasing trade with all our trading partners when I attended the ministerial meeting of the general agreement on tariffs and trade at Geneva in October. Moreover, I assured the other members of GATT that this country would continue to operate its policies in accordance with the rules and procedures of GATT. At the same time I expressed the concern of Canadians that while Canada had, in the past, gone somewhat beyond its obligations, some of the other countries had followed policies which have had the effect of diverting a larger quantity of imports to our markets than would otherwise have been the case. Ministers were present at this meeting from many important countries, and I was most impressed by the constructive and co-operative spirit in which trade problems were discussed.

The most important matter considered at this session of the contracting parties to GATT was the European common market treaty. The members of this European treaty are at the same time important world traders and important members of GATT. It is essential to ensure that the European common market is developed in a way which will strengthen rather than weaken international trade relations. I expressed the views of

the Canadian government with respect to various aspects of the common market treaty which caused us some concern, and I indicated that the Canadian delegation would participate actively and sympathetically in the detailed consultations being initiated with the six countries concerned.

This session of GATT has already been concluded, and I am sure that the countries of the European common market are now fully aware of the difficulties which could arise through restrictive application of their treaty.

It has now been arranged that the GATT countries will pursue their consultations with respect to the common market—that refers to the common market treaty of next April—and I hope it will then be possible to obtain satisfactory assurances which will provide a basis of confidence and co-operation among all concerned.

I shall conclude my remarks at this time with a brief reference to the Canadian trade mission which is now in the United Kingdom. The reports that I received from that mission yesterday and this morning indicate that it is still having great success in its tour of the British Isles and has now been in England, Wales, Scotland and Northern Ireland. The same enthusiasm on the part of British industrialists and British exporters is still being shown as it was a few days ago when I was there, and an increasing number of British business firms are asking for the opportunity of meeting with members of our trade mission in London next week. I reported when I came back from there a few days ago that 700 firms had asked to have the privilege of meeting face to face with members of our mission. That number has now gone up.

One or two questions have been asked with regard to what are the objectives of the mission. I set them out very clearly before the mission left this country, but it might be well to repeat that the purpose of the mission is twofold. In the first instance, members of the mission—widely drawn from all parts of Canada and representing at least 20 Canadian industries—are now in the British Isles looking at the state of British industry to discover whether or not that industry is in a position to supply the demands of the Canadian market in fields in which Canadian industry is not itself engaged.

The emphasis right from the very start has been in shifting to the United Kingdom some of the purchases that we now make elsewhere. There is no intention whatsoever of doing anything to interfere with Canadian industry. There is a very wide field for expansion of the United Kingdom market in this country, and there is also a very wide field for the development of Canadian industry. When you consider that $5,700,000,000 worth of imports are brought into this country and that of that amount the United Kingdom enjoys only about 8½ per cent or 9 per cent, you can readily see that there is ample opportunity for larger imports from the United Kingdom as well as for an expansion of Canadian industry so we shall no longer have to be too dependent on sources of supply in just one country.

The second purpose of the mission, which we have been stating over and over again in the United Kingdom, is to draw to the attention of the people of that country the advantages which we see here in Canada for trade on their part. We have pointed out to them that the Canadian people now number 17 million; that their per capita buying capacity compared with that of the people of the British Isles or other countries of Europe is equivalent to the buying power of 34 million people in those areas. In other words, our buying capacity per capita is double that of individuals in the United Kingdom and in Europe. We have also pointed out to them that our population is expanding and that as the years go by, and before the turn of the century, there is reason to believe that Canada will have a population of 40 million. We have also indicated to them that we have great natural resources which require development.

So we have set before the businessmen of the United Kingdom a picture of Canada providing a great expanding market. We have said to them whereas in the past your share of imports into Canada was 18 per cent and has now declined to 8½ per cent or 9 per cent, we think you can regain your share of the market. We fully understand why you have had difficulties with the Canadian market; you made sacrifices in the war years in respect of your export trade, but now we see you have made a virtually complete recovery, and we are here to tell you that the Canadian market is available to you and we will assist you in any way possible in order that we may again create that triangular trade pattern which proved so beneficial to the United Kingdom, the United States and ourselves in the years prior to the war.

This is the purpose of the trade commission in England. It left here with the blessing of all parties in the House of Commons. The members of the mission are first class, representative Canadians, and they have entered upon their task with great seriousness. Many of them were a bit reluctant to travel abroad in the month of November with the prospect of returning just before Christmas, but when we suggested

to them that this was something they might do on behalf of Canada they responded with great eagerness. Furthermore, my observation of the members of the mission while I was with them was that they are as much interested and just as keen as any member of this house in stimulating trade between the United Kingdom and Canada and re-establishing that pattern of trade I have mentioned. Looking toward the future they see that as imports from the United Kingdom in Canada increase and the dollar earning capacity of the United Kingdom is correspondingly increased, Canada in its turn will benefit, because we have many things in this country which the United Kingdom used to take from us in the past and which we are ready to supply in the future.

The mission will be in the United Kingdom for another 10 days and will then return to this country. I hope that before we leave the United Kingdom arrangements will be made to continue the work of the mission in maintaining close relationships with the members of the government of the United Kingdom, the members of the dollar export council and other businessmen who are now showing so much interest in the work of this mission. I also hope that in the course of next year representatives of British industry will come to Canada to see for themselves what Canada has to offer to energetic and progressive men such as we have met in England, Wales, Scotland and Northern Ireland.

All told, I think Canada can be proud of the representative businessmen who are putting forward in the United Kingdom the situation as they see it and are doing their level best to encourage the expansion of trade between our two countries.

Mr. Chevrier: I wonder if our spokesman, who is the hon. member for Kenora-Rainy River, would allow me to ask a question at this stage.

Mr. Benidickson: Yes.

Mr. Chevrier: I listened with interest to the minister's last comments, and I heard him say that the mission to the United Kingdom was a success. I should like to know from him what he means by that statement. If, as I presume, by success he means the reception the delegation is getting from the United Kingdom, of that there can be no doubt; because the press gives us day to day reports on the tremendous reception the Canadian delegation is receiving.

But I should like to ask him what success, from a practical standpoint, the mission has accomplished thus far in the light of the two objectives he has just given. I should like to know whether he would be good enough to tell the house what orders, either in number or in value, have been diverted from United States purchases to United Kingdom purchases along the lines, for instance, of those announced by the chairman of the Hydro-Electric Power Commission of Ontario, who said he was purchasing $10 million worth of equipment? Are there any other such orders for commodities that are being purchased? I do not want to labour the matter at any length, but I thought perhaps this would be an appropriate occasion on which to get from the minister what is meant by the success of the mission.

Mr. Churchill: I thank the hon. member for Laurier for his comments. It is not possible at this stage to say that so many dollars' worth in orders have been placed in the United Kingdom, other than one or two which have already been announced. That news will come later. Some of the orders, of course, will not be placed this month. Business is not always done quite in that way. It depends on the type of material that is being supplied and the requirements of the country. If it is some project which is going to commence in Canada next spring, the order might be placed now or it might be deferred until January.

However, I say the mission has been a success for this reason. There was doubt in the minds of some people in Canada when the mission was proposed. There was doubt in the minds of some people in the United Kingdom when the mission was proposed. But over and above the kindly hospitality of the British people, which goes unquestioned and would be there for anyone who went over even on pleasure, the response has surpassed anything that was anticipated either on our part or on the part of those who have been responsible for the activities of the mission in the United Kingdom. The very fact that hundreds upon hundreds of British businessmen have asked to meet members of the mission surely indicates that there is a real interest in the United Kingdom in encouraging trade between our two countries.

It was not possible to estimate that interest before we left here or before the mission arrived in the United Kingdom. Quite frankly I may say that we anticipated a friendly response. You always get that in the United Kingdom. We anticipated a tour.

Mr. Chevrier: Particularly if the minister's name is Churchill.

Mr. Churchill: I beg the hon. member's pardon?

Mr. Chevrier: I say you get a good response particularly if the minister's name is Churchill.

Mr. Churchill: Thank you very much. They have been very kind to me. We anticipated doing some of these things, but nobody foresaw the intense interest that has been aroused in the British Isles. Even when we went to Edinburgh this interest was demonstrated. Granted that television, radio and the press indicated that the Canadians were coming to Edinburgh, and the officials provided what you might expect at Edinburgh, namely the bagpipes to greet us; but when 500 average people of the city of Edinburgh turn out at the station just to see a group of businessmen get off the train it startles you a bit. That type of reception has impressed us and has impressed the officials in England.

The reason I say that the mission up to this date has been successful is based on that intense interest among businessmen; and that surely is going to result in increased trade between our two countries. It cannot possibly just be dropped or fall flat. Many of the businessmen to whom I spoke say they are considering seriously sending out their representatives to Canada very soon. Some of them said, "We thought you did not want to trade with us". We said, "Some people in Canada thought you were not interested in the Canadian market".

Some hon. Members: Oh, oh.

Mr. Churchill: I am reporting the words I heard. Now that idea has been dispelled. Here they are ready to take part. There is nothing political about it.

Some hon. Members: Oh, oh.

Mr. Churchill: It is just Canadian businessmen meeting United Kingdom businessmen. I think the mission will continue to be a success.

Mr. Benidickson: We have had an interesting exposé by the minister of our position at the moment with respect to trade matters. I felt, however, that his remarks were more significant for what he refrained from telling the house than for some of the information that was provided. I think there is no dispute anywhere in the house about the admiration he expressed for the trade commissioner service that has been built up in this country. I believe all of us, particularly in recent years, have had tributes to that service indicated to us by businessmen with whom we were acquainted.

In the second place, the minister made reference to the position of exports and imports for the 10-month period of this year. I noticed particularly that he made the point that exports were slightly above those of last year. However, he is able to make an assertion of that kind only by merging the trade record of the period of the year in which the former administration conducted the business of this country with that of his own. It just happens that by a fortunate coincidence the trade information for that 10-month period was made available only this morning in the press; and contrary to the trend and situation in the first six months of 1957, it shows that we have much to fear in the declines that are obvious in recent months under the administration of my hon. friend with respect to our export trade.

This report shows that for the month of October alone our exports to the United Kingdom have declined by $12 million as compared with the trade record of the same month a year ago, and indeed for the 10-month period are down some $55 million. Our trade with respect to the United States for the month of Ocober is also down to the extent of $27 million as compared with last year.

Mr. Johnston (Bow River): What paper is that?

Mr. Benidickson: The Montreal *Gazette* has trade information this morning for the 10-month period. Furthermore, I do not think my hon. friend is at all justified in taking, as he did, full and complete credit for something in the nature of a change in the trend of the relationship between exports and imports. I find that the trend which he took some pride in describing this morning—that is, a narrowing of the gap between exports and imports—showed up in the first two months prior to the time when I think my hon. friend could take any credit whatsoever for guiding the trade policies of this country.

The figures for the period ending in July —and I am sure my hon. friend would not think he had any influence on trade at least up to that time—indicated that our exports were not going down, as I have indicated they are now going down to our principal markets, but they in fact showed a very advantageous increase. In the two previous months described at the end of July there was a narrowing of the gap between exports and imports because imports were on the decline and exports had continued to rise.

It is perhaps trite to say that Canada lives by trade, but probably that is truer with respect to Canada than with respect to any other country in the world, because Canada's population is not large in relation to the huge international trade volume which we have in this country. I think all hon. members of this committee know from the experience of the depression years just how long it takes

to recover from the effects of bad trade policies. Consequently I believe there will be considerable alarm and anxiety when we find that in recent months our export trade is showing a decline such as was indicated in October and in the examples I gave a few moments ago.

A great number of Canadians, a majority of them perhaps, depend directly or indirectly on export trade. We require exports for at least two-thirds of our normal wheat production. We depend on exports for 95 per cent of our paper production and perhaps about 80 per cent of our aluminum production, to make reference to just some of our notable exports. These are, of course, important items of external trade; but in addition to that Canadians are very concerned with elements of internal trade. While I have indicated that there is a very alarming drop in our exports in international trade, many Canadians are similarly alarmed these days about some very unpleasant differences between trade statistics and business statistics of the present time in relation to the period when the former administration left office.

I could give just a few illustrations. In June the index for stock market industrials was 303. In October, according to the Bank of Canada report, copies of which we all received the other day, that was down to 228. The wholesale price index with respect to grains in June was 171.9. It is now 168.7. The livestock index wholesale in June was 292.9 and is now 285.7. We have already had several indications of what happens when trade volume declines, and we know that the employment picture, the number of persons seeking work and who are without jobs, is also extremely alarming when one compares June with the current situation.

In respect to new orders, also an item dealt with in the Bank of Canada report to which I referred, I find that in the last available period, September of this year, new orders received amounted to $1,692 million as compared with $1,812 million a year ago, and that compares with the June figure of $1,754 million. If one goes to another important aspect of domestic trade—and I refer to the volume of industrial production—one finds that in June when this administration left office the index figure, which is also shown in the Bank of Canada report, was 296.9 and in August it had declined to 286.5. The manufacturing index in June was 296.2 and in August the last available figure showed that there had been a decline to 283.1.

Mr. Chairman, may I call it one o'clock.

At one o'clock the committee took recess.

[Mr. Benidickson.]

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Benidickson: Mr. Chairman, in resuming the discussion of the estimates of the Minister of Trade and Commerce after the noon adjournment I simply want to say my recollection is that on general statistical information he suggested that never before had the policies of a new government made themselves evident so quickly. Well, in that respect I think I will agree with him. I want to continue with some of the statistics that I was referring to prior to our noontime adjournment. However, these statistics are, I think, ominous.

During the recess I inquired, and I found that on June 1, 1957, the average weekly wage of labour in this country in manufacturing was $65.08. On September 1, which is the latest available statistic, it was $64.60. There is thus a decline and that decline is not normally to be found from June to September. In addition, when we are speaking, as we are in committee, on trade, I cannot think of anything that is more related to the volume of trade than perhaps the figures on railway carloadings. On November 21, 1957, carloadings were 769,926. A year ago they were 837,749.

Another item that I think is very significant when we speak of trade is the average hours worked per week by our labour force. This is something that had been rising steadily prior to the advent of this administration. On September 1, 1957, the average hours worked per week were 40.5; a year ago they were 41.1. I think most hon. members will agree with me that this figure is significant. I find it so in my own riding. While as yet we have not in Kenora-Rainy River people wholly unemployed in a significant way, perhaps I do find that the take-home pay in the work week is very much reduced from what our workers had experienced previously, and that is one of the ominous features to which I have referred.

In his remarks the minister referred again to the United Kingdom trade mission. I did feel when he introduced the subject on Tuesday that anticipating these estimates, he could very well have made his remarks at this time; but, unlike his predecessors who also have some travelogues to disclose, he chose that particular time to deliver his remarks. I recall that the leader of this group was very gracious, as I think I attempted to be, in a personal phone call to the minister to wish him well on this mission, and I do not propose to quarrel in any respect with the objectives of the mission. My quarrel is simply with the double talk and with what I call the

politics which are being played by the minister with respect to this particular mission.

When I refer to double talk I will give illustrations, but I think hon. members will recall a former correspondent in the press gallery who was one of the severest critics of the previous Liberal administration. He was the correspondent of the Toronto *Globe and Mail,* George Bain, and is now a resident correspondent in the United Kingdom. On the very day the minister was reporting to this house about the activities of this mission, Mr. Bain had this to say with respect to the tour of this Canadian mission in a dispatch to the Toronto *Globe and Mail,* which is unusually friendly to the Conservative party:

> This has been a busy week for the platitude.
>
> If the new trade resulting from the visit of this mission ever reaches the volume of the cliches which have been expended in pursuit of it, there will need to be traffic lights installed in mid-Atlantic to regulate the traffic.

Another point in connection with the mission—I am not dwelling too much upon it—is simply this. I felt the minister was very evasive this week since his return from the United Kingdom on questions raised by the hon. member for Essex West, the hon. member for Coast-Capilano and the hon. member for Montmagny-L'Islet and others on the types of factories that were visited by this mission. The minister was present in the United Kingdom until the end of last week. He himself, in his statements to this house, has indicated that the first portion at least of the visits arranged to these British factories was arranged by what he described as an official committee, I think a committee acting under the direction of our high commissioner to the United Kingdom, Mr. George Drew. I feel that before we leave these estimates the minister should name the factories and the types of business done in those factories that the visit was officially arranged for by this committee.

I noted with some regret in the minister's remarks on Tuesday that in reference to the portion of the delegation that represented agriculture in this country they seemingly were directed in their travel tour in Britain to visits to their trade and occupation counterparts. Now, this I think is rather a surprise. I believe certainly the agricultural representatives in the house would have expected that their tour would have been directed more to possible purchasers of the products of their trade. Anyway, this has been certainly a very unusual trade mission because, unlike any other trade mission I have ever heard of previously, it seemed to have no thought of sales in mind.

I spoke of double talk, and I am going to give some illustrations to explain why I used that term. I think it was the Toronto *Star* which said that in all attitudes toward United Kingdom trade the present administration seems to have—and I quote—"a miracle of exquisite timing". Hon. members will recall that just prior to the arrival of the United Kingdom delegation in September, invited here to discuss expansion of trade, the Minister of Finance referred the textile trade to the tariff board anew.

Another illustration of the double talk of which I accuse the present administration is the fact that while they are flying the flag of British trade, so to speak, most of us know that at this very moment there are representatives of the government at Geneva discussing trade with the governments associated in GATT. Those delegates of Canada are asking for increased tariffs on such things of importance to the United Kingdom as iron and steel, in which the volume of trade amounted to $50 million last year, and pipes and tubes, in which the volume of trade was some $17 million. When we discuss this question of flag waving and sentiment with respect to trade, I simply want to say that I do not think anybody would accuse the former shrewd minister of trade and commerce of anything along these lines.

On the other hand, let us look at the record of trade between this country and the United Kingdom under his regime. In 1955 we bought British—that is what hon. members opposite are always preaching, buy British—to the extent of $401 million of goods from the United Kingdom. In 1956 that figure rose to $485 million. In the first half of 1957, with which the former administration was associated, purchases amounted to $260 million. I think that without talk and without flag waving there has been a very keen recognition of the value of this type of trade, and I question whether that is continuing in any substantial way today so far as actual dollars and cents are concerned.

A conference was held at Mont Tremblant early this fall. I know some of the consequences of that conference were rather shaking and shocking to my hon. friends opposite. I believe they came to learn that there was somewhat of a difference between rhetoric and reality. In any event, I feel that the House of Commons, discussing now the trade estimates of the new government, is entitled to information that so far has been hidden from parliament with respect to the pros and cons of the proposition presented by the British delegation at Mont Tremblant. Surely the minister will be able to tell the committee as we discuss this problem just what the proposition is all about, what the merits are and what the demerits might be.

I think the people of the country generally felt very disappointed with the new administration in this respect. This conference took place some time after they assumed office. I do not think there is any member of the house who will not agree that the *Financial Post* is most impartial in its criticism either of the former administration or of the present administration, but this paper had the opportunity to do something that we in the opposition have not had the opportunity to do. This paper, the chief paper in the country of this type, had a very competent observer at the conference, and on October 11 the *Financial Post* had this to say with respect to the Canadian representation at this very important conference:

> 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. The British had prepared very thoroughly for the meeting. The Canadians had not.

I think we should expect the minister to make some answer to this indictment. I wish to refer to another publication which I think we also recognize as not being local in distribution, and which has a very experienced parliamentary correspondent. I refer to *Macleans* magazine. Blair Fraser refers to questions very properly asked the Minister of Finance by the representatives of the press following an outline of the trade proposals at the Mont Tremblant conference from the British delegates, proposals which had very substantial possibilities. Blair Fraser asserted that the Minister of Finance had been everything but frank with the journalists of the country when interviewed with respect to the implications of the British proposal, and went on to say:

> None of his stone-walling did much good. Rightly or wrongly, everybody in the room—

He had reference to the large delegation of representatives of the press.

> —was convinced that the reason he couldn't talk about Canada's proposals was that Canada had no proposals worth talking about.

Basically discussion of trade at the moment has a relation to diversion of imports from the United States to imports from the United Kingdom. During the present session there have already been very worth-while comments from this side of the house with respect to this possibility. I recall that the hon. member for Algoma East made a very important speech. Mr. Clark Davey, a press observer who is not noted for favouring Liberal assertions made in parliament, had this to say about the speech of the hon. member for Algoma East: "A devastating attack on Conservative trade policies." With respect to diversion I am in complete agreement with the hon. member for Algoma East when he said:

> I am not so much interested in diversion of trade as I am in building up and increasing trade.

I think that is something that would be supported generally by the members of the party to which I belong. With respect to the matter of double talk, I also point to the strong evidence that the administration has been talking not bilingually but certainly in double talk when it has talked differently to London and to Washington with respect to its intentions in the matter of the diversion of 15 per cent of our purchases from the United States. There is every indication that when they went to Washington they said to the officials there in a very pious manner, "Oh, dismiss this; this is long term, nothing immediate, not something about which you should get very excited."

That brings me, of course, to the very important discussions that did take place in Washington. A major portion of our trade is with our immediate neighbour. The conduct of Canadian relations with the United States is probably the greatest problem that faces any Canadian administration. It faced the former one. United States relations dominate all economic policy and vitally affect all business, trade and finance in this country to a very important degree.

Again, I think the results of that visit by the four cabinet ministers of the new administration were much less than would have been expected, having regard to the tough talk that we all remember from them during the election campaign. I think the very high expectations are certainly mocked by the very small achievement. In this respect again I cannot, from any personal observations, make any comments as to the result outside the communique that is normally provided after these conferences. But others who were there and who are independent, certainly politically, have made some comments. I do not choose to quote anyone who is known to be unduly critical of my Conservative friends who are sitting opposite to us at this moment. I refer now to Mr. Arthur Blakely, who I think is probably among the foremost noted journalistic critics of the former Liberal administration. With respect to this conference in Washington Mr. Blakely, writing in the Montreal *Gazette* of October 11, had this to say:

> The four Canadian cabinet ministers who went to Washington earlier this week to negotiate with Uncle Sam for the settlement of some mutual economic problems, came back empty handed.

Then he went on to say:

> There have been other pilgrimages to Washington which could be said to have produced nothing.

But it's doubtful if there have been any which could be said to have produced less than this one.

The Chairman: I am sorry to interrupt the hon. member, but I must inform him his time has expired.

Mr. Benidickson: Yes, Mr. Chairman; there will be other opportunities.

Some hon. Members: Go ahead.

The Chairman: Has the hon. member unanimous consent?

Some hon. Members: Yes, sure.

Mr. Benidickson: I thank the committee. I should like to refer to another report from a Canadian journalist following this Washington conference. I refer to Mr. Ed. Hadley, whom I had the pleasure of meeting myself when I was in a role somewhat similar to that of this delegation when I visited the United States a year previously. Mr. Hadley reports for the Montreal *Star*. Mr. Hadley said that Mr. Dillon, who is a well known New York investment dealer and who at the present time is assistant to U.S. state secretary Dulles, advising Mr. Dulles on economic affairs, had this to say with respect to the Canadian visit:

There will be no change in United States wheat disposal methods beyond that which halted barter deals last summer.

May I tell the committee that the information with respect to the change in United States policy concerning barter deals was available prior to the last election. I quote further from this press report from the Montreal *Star* correspondent:

The general climate on the wheat problem was better at the inter-cabinet meeting here than Mr. Dillon himself found it at Ottawa when he was there just before the election.

Mr. Hadley goes on to say:

Prime Minister Diefenbaker's suggestion for a 15 per cent switch of Canadian foreign purchasing from the United States to the United Kingdom was "played down" at the meeting here.

I must conclude my remarks, because I know there will be a further opportunity to speak on the individual items. I simply want to say to the minister, as I said in the beginning, that I felt there was much lacking in the information he gave us in his opening remarks. His department, as he said, is a most important one. It has been led in the past by Mr. Howe, a very distinguished Canadian whose achievements probably make it somewhat difficult for the new minister, but I am sure the new minister will apply to the department also conscientious activity.

I am sure the committee will expect to hear from him, while these estimates are before us, something about the policies of the administration with respect to uranium and atomic energy, something that I had hoped to deal with in some detail but time has not permitted; and the gas and oil export policy of the government, particularly with respect to possible approval of new pipe lines. I think all of us are very concerned today about any governmental support that might be given to research programs, particularly the sponsorship of students in scientific fields. I feel, too, we shall have to pursue a little beyond the remarks of the minister the references to the European free trade area, particularly now that Great Britain has indicated a likelihood of joining it. I believe there has been some change of attitude in relation to Canada's contribution to the Colombo plan. I should like to see a further review of that.

Perhaps the minister at this time could give us, even on an interim basis, some indication of the public and private investment to which we might look forward in 1958. I realize that this is normally the subject of a white paper that is produced in parliament in July and February of each year, but I am sure his very able staff has already given the future some review. I thought perhaps even an off the cuff prediction relating to this very important matter might come from the minister. I thank the committee for giving me some extra time for these comments respecting trade and commerce.

Mr. Zaplitny: Mr. Chairman, I found myself in agreement with at least some of the remarks made by the hon. member who just preceded me, particularly with respect to his opinions concerning trade with the United Kingdom. I will not pursue that point at this time, but rather will make some reference to the statement the Minister of Trade and Commerce made in opening his department today. May I at this time, the first opportunity to do so, express my good wishes to the minister for success, inasmuch as he was at one time a resident of the town in which I live.

Mr. Benidickson: I should have made the same comment, being Dauphin-born.

Mr. Zaplitny: It struck me that the minister had left out a great deal. I am not saying that as any particular criticism, because we all know that this is the first occasion on which the minister has presented his estimates. But it does seem strange that the minister, in introducing the department, seemed to leave out completely one very important wing of his department. That is, he made no reference whatever that I could detect to the agricultural side of his department. It could be said that in the main, matters dealing with agriculture would come

under the Minister of Agriculture. However, when it comes to the wheat board, the marketing of grain, the setting of grain prices, those things come under the jurisdiction of this minister.

I was disappointed that at a time like this, when even members on the government side have recently expressed concern over the continuing crisis in agriculture, the minister had not one word to say as to the government's policy with regard to the wheat board, marketing, agricultural surpluses, or any of these allied subjects.

I will have occasion to refer to that a little later, but first I want to make a comment or two on what the minister did say.

He started off by talking about, and in fact he took some pride in, what this government had done. I am not using his exact words, but the import is the same. He said they had done more in a short time than had been done by any other government in the way of implementing trade policy. Certainly I do not wish to take away from the minister any of his success, but when he speaks about the trade policy of this government I respectfully submit that he is talking about something which has not yet been announced. What is the government's trade policy?

We on this side of the house have been patiently waiting until the opening of this department's estimates in the hope that the Minister of Trade and Commerce would get up and state what the government's trading policy actually is. He failed to do so, but instead told us that he takes credit for having implemented such a trade policy. I hope before this debate ends the minister will take care of that great omission and let this house know what is the trade policy, because at the present time there is a grave doubt in this house and in the country as to the existence of such a thing.

I am saying this out of kindness to the minister. As a colleague from Manitoba I am really concerned about his future in the government—

Mr. Churchill: Let me worry about that.

Mr. Zaplitny: —because there is a trend going on which I think holds certain dangers for the minister. In the past his predecessor in office was referred to as the minister of everything, perhaps with some justification, because he had the Department of Defence Production to look after and he had charge of a great many branches and divisions of the government, but I notice that in the new set-up defence production has been handed over to the Minister of Public Works, and the setting of whatever has been set about trade policy so far has been done by the Minister of Finance. The conference at Mont Tremblant was left to his tender care and was handled with what can only be described as disastrous dexterity, and I am afraid that little by little the Minister of Trade and Commerce will find that his powers and responsibilities are going to be chipped away until he finds he is not going to be the minister of anything.

For this reason I think it would be very desirable for him to discover, first of all, what is the trade policy of his government, if such a thing exists, and to relate this policy to this house and then do his best to bring it into effect.

The minister made reference to the commonwealth conference which is to be held. Well, of course, we cannot debate something which has not taken place, but there has been a preview of what might take place at that conference in the Mont Tremblant conference; and there, as was pointed out by the hon. member who spoke before me, an offer was made by the government of Great Britain, through its representative, and the Canadian government absolutely ignored that offer. In fact the Minister of Finance did worse than that; he threw cold water on it before it had even been properly examined.

I know we may have differences of opinion, perhaps mainly in degree, as to what could be done and how quickly it could be done with regard to the establishment of a free trade area as between the United Kingdom and Canada, and I realize there are many considerations which must be taken into account. However, prior to June 10 the members who support the present government and the ministers of that government were most vocal across the country, and even on many occasions in this house, about the desirability—in fact almost the desperate desirability—of negotiations and trade with the United Kingdom. They had some pretty strong words to say on occasion, although I will not take the time of the committee to repeat them now since they are all on the record and easily found.

However, the impression was left in the country that the present Prime Minister, as soon as possible after the election and provided he was then Prime Minister, was going to make some sensational offer in order to increase trade between the United Kingdom and Canada. Well, the election came and went and the government sat tight, made no offer whatsoever. Then the government of the United Kingdom made its offer, which I still believe was a very statesmanlike one in all the circumstances. Instead of acting on it, instead of even giving some lead

on the principle of that proposal, the government immediately started to scurry for their foxholes. Not only did they scurry for their foxholes, but they pulled the holes in after them. Since then there has been a sort of iron curtain drawn around the whole question with, once in a while, the Minister of Finance coming out with some statement or other, but no clear-cut policy and no statement of principle on this question from the Prime Minister or anyone else.

Here I thought there would be a grand opportunity—and I was sitting here in eager anticipation—for the Minister of Trade and Commerce, having just returned from Great Britain where apparently he was very well received and where he said the response to the trade mission was just out of this world, to rise in his place and place before this house the attitude of the government toward the offer. Instead of that we have a travelogue of what this trade mission was supposed to be doing in Great Britain, so I suppose we will have to confine our remarks to that phase of the matter.

What has he told us about the details of the trade mission to the United Kingdom? He has told us the mission had a twofold purpose; first, they were supposed to check on the supply or potential supply of goods which could be produced; second—and I want the hon. members of this house to mark these words, as they are of great interest—to draw attention to the possibility of trading with Canada. Now, when you compare those words with some of the thunderous phrases heard in this house and throughout this country as to how we were letting down the United Kingdom and how there was almost a question of refusing to trade with that nation, it does seem a little strange. Here we have the minister coming directly from the United Kingdom and saying that one of the purposes of the mission was to draw attention to the possibility of trade with Canada. That, Mr. Chairman, is the understatement of the year.

If all that mission was supposed to do was just draw attention to this possibility, then I respectfully submit that we could have saved a great deal of money and trouble by having the Prime Minister write a letter to the chancellor of the exchequer or the Prime Minister of Great Britain in which he could have drawn attention to it.

I believe there is a very serious omission in this whole business. The minister has repeatedly stated that the chief purpose of the mission was to arrange for purchases by Canada from the United Kingdom. Well, I have no objection to that; I would like to see a great many such purchases made, but surely the Minister of Trade and Commerce did not head this delagation simply as a sort of glorified purchasing agent for Canadian business. Surely he must have had in mind, or the government must have had in mind, that his was a department of trade and commerce, not just commerce. He must have forgotten the trade part of it. The people who are primary producers in this country, such as those engaged in agriculture, wood products, base metals and many others, certainly expected the Minister of Trade and Commerce to have made at the same time some arrangements for the export of Canadian primary products to Great Britain.

As a matter of fact when he made his report we addressed specific questions to the minister on what was being done in that field and what discussions were held by the members of the trade mission, government officials or the minister himself with respect to increasing the flow of Canadian primary products to Great Britain. His answer in every case was that the chief purpose of the mission was not to sell but to buy. Well, now, I do not think that is good enough. We have a minister and a Department of Trade and Commerce, and we expect some trade and not just commerce.

We expected that the minister should have been a trader and should have taken advantage of his visit to the United Kingdom to enter into negotiations, to have initiated at least preliminary talks about trade agreements that could be entered into—long-term bulk trade agreements—in order to assist the export of primary products from this country, which is one of the essentials in our trade picture.

Then the minister also stated—and that was the only part of his report that I thought contained any reference at all to government policy—that it was the policy of the government that they would not interfere with the trade between Canada and any other country. Of course at that point the minister was really humourous, and I am glad it was he who said that rather than the Minister of Finance. The Minister of Trade and Commerce, being a westerner, at least has a sense of humour; and certainly he must have seen the humour in that statement. When he states that it is the policy of this government, or of any Conservative government for that matter, not to interfere in trade between Canada and any other country, he is stating something that is obviously funny.

When one looks at our tariff structure; when one looks at the elaborate tariff structure that has been built up over the years, chiefly by Conservative administrations, one

certainly can see that is not a policy of non-interference. Every day this government, through its actions and its tariff policy, is seriously and substantially interfering with trade between Canada and all other countries, even with respect to the United Kingdom.

That again points up the humour of the situation, or the irony of it. We send a trade mission over to Great Britain ostensibly to increase purchases in that country for export to Canada; and while the Minister of Trade and Commerce is over there promoting that phase of it, the Minister of Finance here at home is busy trying to find ways and means of preventing imports from Great Britain by making, very obviously, plans to increase tariffs against British-made goods.

Look at our tariff structure today. Are we, on the one hand, going to ask the manufacturers of Britain to send certain articles for sale here in Canada, and at the same time point out that we have a duty of 20 per cent or 25 per cent against those goods? When we are saying to them, "We want to trade with you", on the other hand the Minister of Finance is saying to them, "We are trying our best to keep your products out of Canada". That is supposed to be a policy of non-interference with trade. That is supposed to be the policy of the present administration.

I have quoted figures previously and I want to remind the house of them again. In the last 10-year period alone the consumers of Canada have paid in duties on imports coming into this country from all countries in the world just about $4 billion. That is supposed to be a policy of non-interference on the part of the government.

I believe there is a policy they could follow. I believe the policy of this parliament should be designed to remove, so far as it is possible and practical, the trade barriers between this country and the United Kingdom in the first instance; and having accomplished that, we should continue to do so with all commonwealth countries and with as many other countries in the world as we can.

In other words, as an expanding country engaged in primary production to the extent that we are engaged in it, and that being the basis and foundation of the wealth of this country, I believe our whole policy should be aimed at the removal of trade barriers. But I am very much afraid that the policy of the present government is the very opposite. Their whole proposition of, on the one hand, pretending to be expanding trade with the United Kingdom and other commonwealth countries and on the other hand of doing their best to prevent that trade through the tariff structure, is one that I think they are going to find will lead to disaster.

It is still fresh in the memories of the Canadian people that the period from 1930 to 1935, when we had the second last Conservative regime in Canada, was the time when we had possibly the highest tariff structure in the history of this country and was also the time when we had the greatest number of unemployed, the most disastrous farm prices, and the greatest depression. I am not going to lay at the doorstep of the tariff policy the whole depression, but certainly the two were very closely related.

There are those who sometimes repeat slogans rather than express opinions and who say, "We must see to it that other countries do not export their unemployment to Canada; we must have protection". We must examine slogans of that kind very carefully, because we must always remember that for every dollar's worth of imports that come into this country, eventually we can pay for it only by a dollar's worth of exports. To the extent that we are going to pay for our imports with exports, that in itself is providing employment. Certainly the last flirtation we had with high tariffs in this country in 1930 to 1935 taught us the lesson that you cannot prevent unemployment by raising your tariff structure.

What the hon. member for Kenora-Rainy River pointed out in his speech—and I agree with him heartily—is that we sometimes forget about the internal trade of our country. If you will look at the figures and will look over our economic history for the last 30 or 40 years, I believe you will find that the level of employment or the level of prosperity in this country has been directly related to our internal trade. I am not discounting at all the importance of our external trade, but the level of internal activity as between Canadian and Canadian is still the basis and foundation of our full employment in this country.

I do not want to spend all my time on this particular phase of the matter, Mr. Chairman, but before I leave this question I want to point this out. When some of us in this house suggest that some steps could be taken and taken immediately to begin implementing an area of freer trade between the United Kingdom and Canada, there is a place to begin. I think I can give the minister a clue as to where he could begin to the general advantage of all Canadians, regardless of their occupation.

I should like to refer him to a statement made by the commissioner of the Combines Investigation Act when he was reporting upon his investigation into rubber products. This was in 1952, and is to be found at page

683 of that report. After having described the methods by which companies in that field of production had made use of agreements, had conspired to raise the prices of their products unfairly, and had exploited the public to the extent where they were actually breaking the law of Canada, he had this to say, and this is how it is related to our tariff policy:

> Another detrimental aspect of the arrangements is related to tariffs. There is substantial tariff protection on most of the products with which the arrangements are concerned. It was of particular significance in respect of certain mechanical rubber goods and tires and tubes. Now when domestic manufacturers are competing behind a tariff barrier, the tariff is serving its intended purpose of protecting the domestic industry against prices from without the country which the domestic industry, in spite of reasonable efficiency, cannot meet or better; and by force of such domestic competition the cost to the consuming public of the tariff protection is minimized. But when domestic prices are set, behind the tariff barrier, by arrangement, then the safeguard provided by competition is absent; the common price tends to be the largest price which the tariff will permit; the cost of the tariff protection to the consuming public is maximized; and, if it is not true that the tariff protection is higher than is actually necessary to protect the domestic industry, the companies privy to the arrangement have at least given the consuming public strong reason to believe that such is the case.

In a word that means there are certain areas of commerce in this country which have been investigated by the officials of the Combines Investigation Act, and it has been found that behind the tariff protection which has been provided for them—perhaps in some cases legitimate protection—they have used that shield of protection to set up monopolies and combines and have exploited the Canadian public through conspiracy to the point of having broken the Canadian law.

In the past the previous government and this government, when they caught up with some of these law-breakers, have taken them to court and after having found, through investigation, that as a result of their combines they have fleeced the public of several million dollars they have whipped them with a reed, fined them $10,000 and told them to go back home and carry on their conspiracy.

That is how effective the Combines Investigation Act has been, but here is a method by which the government could effectively protect the public interest. Where we find that tariff protection is being used for the purpose of forming combines and monopolies and abusing that protection, there is every justification for the government to take immediate action to remove the protection and expose these law-breakers to the effect of an alternative source of supply. Here is a field in which the government could act immediately toward the building up of a free trade area.

I would now like to refer to the other phase of what I mentioned earlier. That was the complete lack of any reference in the minister's opening speech to the agricultural aspect of his department. Time will not permit me to go into complete detail on this question, and indeed it will not be necessary because several of my colleagues are more qualified than I to go into much greater detail in discussing that particular field, but I do want to draw attention to at least a few of the things that the farm organizations of this country, not only in western Canada but in eastern Canada as well, have considered important enough to have included in their briefs. They have recently sent delegations to the government to present their views to the minister and the cabinet generally. One of those was the brief submitted to the Prime Minister and members of the cabinet on August 15, 1957 by the interprovincial farm union council, which is the co-ordinating body of farm union organizations in, I believe, five provinces at the present time.

Almost the first if indeed not the very first recommendation in that brief, draws attention to the situation with regard to the price of wheat and other grains; and after pointing out that the producers of grain, as a result of the material increase in the cost of production, have not actually been receiving a price for their grain which would bring it anywhere near parity or anywhere near a fair share of the national income, the interprovincial farm union council, as will be found on page 4 of the brief, recommends the following:

> 1. (a) An immediate interim adjustment payment of 20 cents per bushel on wheat on the 1956-57 crop year deliveries—

That is to be made by the government or by parliament. The recommendation continues:

> (b) A payment on oats and barley to bring the net farm prices to producers to a level bearing the same relationship to parity as 20 cents per bushel on wheat.

In other words what they are asking is to have this parliament recognize the fact that the grain producers of this country for a considerable number of years now have been selling their product to the Canadian public and subsidizing the Canadian public by the fact that they are obtaining for their product less than the fair price relationship as between the prices of their products and all prices. They are asking this government to recommend to the house the establishment of an adjustment price or a deficiency payment of 20 cents per bushel on wheat and a proportionately relative amount on oats and barley.

This is a clear-cut proposition. This is not tied to any long-range plans with regard to any agricultural products. This does not interfere in any way with the Agricultural Prices Support Act or with the proposed resolution which is still gathering moss on the order paper and which the government once in a while brings out, dusts off and exhibits to the house and puts away in mothballs again. It has nothing to do with these things directly. This is a specific proposal and certainly I thought the Minister of Trade and Commerce, as the minister under whose jurisdiction the Canadian wheat board and therefore the policies of the wheat board come, would have had something to say in connection with this request.

This is a request which concerns many hundreds of thousands of farmers in Canada, but today not a word was said about it. Apparently the minister thought if he ignored it completely perhaps no one else would raise the question and he could quietly get himself out of an awkward spot.

Mr. Churchill: That thought never entered my head.

Mr. Zaplitny: If that was his intention I can assure him the subject will be discussed loudly and at some length by some of the hon. members who represent agricultural constituencies.

I wish now to refer to something else in the same brief which I consider to be most important and to which the minister made no reference whatsoever. That is the question of marketing boards. There has been a great deal of talk about different methods and means by which we could bring agricultural products including grain up to the level of general prices in this country, or what we generally refer to as a parity price system. One of the methods that has been suggested has been through the payment of adjustment or deficiency payments, or whatever term may be used to describe a payment from the consolidated revenue fund when the prices of farm products fall below parity.

In my opinion, and I am sure that opinion is shared by a great many hon. members in this house, the best method of administering that type of policy if parliament should adopt the parity price policy would be through a system of marketing boards, because there you would have the administrative machinery which would make it possible for this parliament or the treasury to deal with all the farmers who would be part and parcel of the marketing boards, and in that way pay a sufficient amount of money into the funds of the marketing boards when the situation required it so they could pass it on through what might be called dividends or patronage payments to the farmers who would sell their products to those boards.

In their proposal concerning this subject the interprovincial farm union council made three or four separate specific recommendations, as will be found on page 16 of their brief, all of which are extremely interesting and important. I regret that the minister had not anything to say about that particular phase of their recommendations today, and I hope he will deal with the subject before this debate is finished.

The Chairman: Order. I am sorry to interrupt the hon. member, but I must advise him that his time has expired.

Some hon. Members: Proceed.

The Chairman: Has the hon. member the unanimous consent of the committee?

Some hon. Members: Agreed.

Mr. Zaplitny: Thank you. I was merely going to refer to the last recommendation in connection with the disposal of surplus agricultural products, and of course wheat looms large in that department. In order to telescope what I have to say into a much briefer period than it would otherwise require I can say only this; that the farm organizations in this country—and I agree with them—are daily expressing greater concern over the fact that this administration, with respect to the disposal of surplus agricultural products and particularly grain, seems to be acting almost exactly in the way the previous administration acted. That is to either pretend that the problem does not exist, or when they do recognize the problem to do nothing but complain about what the United States is doing.

I think the minister will agree that it is time this government found a policy of its own, a policy much more constructive and useful than merely crying about what the government of the United States is doing in the disposal of their surpluses. We may even have to eat our pride to some extent and admit that they may have been doing the right things while we have been sitting back and criticizing them. It might be a good idea to adopt some of their policies but, better still, to bring about policies of our own which would be equally effective in our own country and perhaps more successful. Thank you for the privilege you have extended to me.

Mr. Quelch: Mr. Chairman, at the outset of my remarks I would like to congratulate the minister upon taking over the Department of

Trade and Commerce. I wish him every success because it is essential that he be successful; otherwise there may be serious repercussions throughout the country.

The hon. member for Dauphin expressed concern about the minister's department being whittled down. Personally I think it is a good thing that it is being whittled down. I think it should be whittled down to just trade and commerce, because I think trade and commerce are sufficiently important to justify the full time of the minister. As a matter of fact, I think it would be a good thing if grain were taken from the Department of Trade and Commerce and put under agriculture. There is too much overlapping and I would like to see grain brought under the Agricultural Prices Support Act.

When the minister took office he found wheat piled up over the country. I just want to make a few passing references to grain before going on to the general question of trade. As the minister is aware, during the past 10 years grain growers' costs have gone up by 45 per cent, while the price of grain has dropped by 20 per cent. We feel that the immediate need is for an expansion of storage, terminal and off-site, to enable the farmers to deliver more of their grain and, secondly, to have a satisfactory support price under grain because, after all, the grain grower in Canada is the only grain grower in the world who has to take world market prices for his grain. He has to compete not merely with farmers in other countries, he has actually to compete with the treasuries of other countries, and this puts the grain grower of this country in a very difficult position.

This is why I would like to see grain brought under the Agricultural Prices Support Act so that it might be protected under that general formula. If the price of grain were supported under the formula of the Agricultural Prices Support Act it would be around $2.37 today, according to the bureau of statistics; that is, using the base period 1943 to 1945.

Some of my colleagues will be dealing with this matter at greater length and, therefore, I should just like to leave the question of wheat by emphasizing the fact that the only real solution to our grain-marketing problem is the expansion of markets at fair prices. If you accomplish that practically all of the other problems relating to grain will disappear over a period of time.

We look upon the wheat situation as merely a symptom of the weaknesses in our past trade policies. So long as we had a strong sellers' market everything operated satisfactorily. But just as soon as the situation started to toughen up we ran into difficulty. We have lost many of our markets and I would say that the loss of those markets was due to the rigidity in our trade policies. We had got ourselves into a groove and we were not prepared to get out of that groove and take the action necessary to meet the changing conditions in the world. For example, we have continued the triangular pattern of trade between Great Britain, the United States and Canada. Hon. members will recall that that was outlined back in 1946 by the then minister of finance, when he said—and it can be found at page 764 of *Hansard*:

> We must be able to use the proceeds of our exports to the United Kingdom and the continent of Europe in paying our own bills and debts in the United States.

And that has, generally speaking, been the policy ever since. The former government was very much interested in selling Britain or Europe more goods, but they showed very little interest in bringing imports from Europe into this country. Therefore from time to time we have had protests from various ministers from Great Britain pointing out that unless Canada was prepared to achieve a greater degree of balance with that country it would not be possible for Britain to expand her imports from this country. For instance, just last year when Sir Anthony Eden was over here he is reported by the Ottawa *Journal* of February 7, 1956, as follows:

> Prime Minister Sir Anthony Eden told a press conference today that the imbalance in trade between Canada and the United Kingdom—two to one in favour of Canada—must be rectified if that trade is to continue growing.

Therefore, Mr. Chairman, we think it is very important to depart from that triangular pattern of trade and recognize the fact that trade is a two-way street. If we want other nations to buy from us we have to buy from them and do everything we can to establish a balance of trade. I think the present situation is one that calls for a good deal of concern. We had an adverse balance of trade with the U.S.A. last year of $1,283 million; with the world, $842 million; with the United Kingdom, a favourable balance of trade of $333 million. We used that $333 million, of course, to help pay the adverse balance of trade with the U.S.A.

There are some people who ask, why should we worry about an imbalance of trade? We have investments from the United States of America, and those investments will pay the losses suffered under the adverse balance of trade. It is interesting to remember that an increase in foreign investment invariably means an increase in your adverse balance of trade. The reason is obvious. Firms

in this country, and especially firms with parent companies in the United States, obtain their funds from the United States and they invariably spend a large portion of those funds in the United States to bring goods into this country, and the more investment there is by the United States the greater will be the imbalance of trade.

I was interested in a statement made by the chairman of A. V. Roe (Canada) Limited, as quoted in the Ottawa *Journal* of October 25, 1957, regarding this adverse balance of trade. He said:

"You have only to glance at Canada's staggering trade deficit with the United States", Sir Roy said in an address to the Roe annual meeting, "to see where opportunities lie.

This represents a serious problem for Canada but it also offers a rare oportunity to Canadian industry.

In that vast deficit (of more than $1 billion annually) there must be many millions of dollars worth of products that can and should be made in this country.

Canada must produce more of the products which she uses and which she now imports. Your population is increasing by 1 million every 30 months—one of the highest rates of growth in the world. If this is to be maintained, and it must be if Canada is to grow, then more and more new jobs must be found".

It is interesting to note that at the very time that statement was made we had around 208,000 unemployed in Canada. I believe the figure is greater than that today.

Of course these unemployed could be used to produce many of the goods to which Sir Roy Dobson has reference in his speech.

I think it is very unfortunate that at the very time when we have this large adverse balance of trade and it is so essential that we should increase the production in Canada of goods which we import from the United States the Bank of Canada decided to impose restrictions on the expansion of credit that had the effect of reducing the rate of our production because there was never a time when we should have expanded our production more than now, at the time we have this large adverse balance of trade. There is good reason to say that we should have used the surplus labour we had to expand the production of those goods which at the present time we are importing from the United States.

I think everybody will agree that the logical solution of the problem of imbalance of trade is either to sell more to the United States or to buy less from them. It is not so easy to sell more unless the United States is willing to buy more, but on the other hand we have control over the other aspect and could buy less. We could either do that, as Sir Roy Dobson suggests, by expanding our production of those things which we are at present buying from the United States, and of course that would be the desirable thing to do, or otherwise we could buy less by purchasing certain goods we are buying from the United States from countries with which we have a favourable balance of trade.

[Mr. Quelch.]

Therefore I was very glad to see the government send a mission to the United Kingdom to try to expand our purchases in that country, and I am not going to be too critical of it being a buying mission. If we want to sell more to the United Kingdom we have got to buy more. In view of the fact that we have had a substantial favourable balance of trade for a number of years, the first thing is to rectify that by buying more and I believe, as I think the minister has suggested, that if we can create a situation where we buy enough from Britain to bring about a balance of trade then Britain will be willing to buy more from us. When Sir Anthony Eden was in Canada last year he stressed the fact that if Canada would buy more from Britain that country would buy more from us and desires to do so. Therefore I think we are doing the logical thing. We are first of all trying to balance trade with Britain by buying more from them and we have every reason to believe that if we accomplish that Britain will then buy more from us.

We have always insisted that nations should endeavour to bring about the greatest degree of balance in their trade with other nations on a bilateral basis. I recall that every time I suggested that in the house in the past the former minister of trade and commerce used to ridicule the idea. He would say that it was nonsense to suggest having a balance of trade bilaterally, that it had to be on a multilateral basis. It is a fine thing to have a balance on a multilateral basis but if you cannot the first thing to do is to try to achieve the greatest degree of balance on a bilateral basis. I recall that the former deputy minister of trade and commerce emphasized that fact back in 1947. Mr. M. W. Mackenzie in an article in the *Foreign Trade* magazine of October 9, 1947, had this to say:

Now that the multilateral system of payments has suffered a serious breakdown for the second time, or perhaps one should say for the third time in the last generation, Canada and all other countries that are engaged heavily in international trade are facing a difficult stage in their affairs. The balance of trade between pairs of countries—that is, the bilateral balance—has become a matter of first importance and it will remain so until the mechanism of the multilateral system has once more been placed in good order.

We were never able to convince the former minister of trade and commerce that that was an objective worth trying to achieve but the former deputy minister, who has been spoken of very highly in the house, I know, considered it advisable in these difficult times.

Times were difficult then and so far as our imbalance of trade is concerned they are even more difficult today.

So, as I say, I am very glad to see that the government at least is trying to achieve that degree of balance bilaterally in so far as the United Kingdom is concerned. If by transferring some of our purchases from the United States to Britain we are able to make it possible for Britain to achieve a balance of trade with us, it will also help us to achieve a greater degree of balance with the United States. In other words, we would be killing two birds with one stone and we would be departing from that triangular pattern of trade that in my opinion has done so much to lose us markets in the United Kingdom.

I think it is time that we raised international trade to its true purpose, the exchange of goods are services between nations of a mutually advantageous character. I think we should be prepared to accept foreign currency in payment for our exports up to the amount of our favourable balance of trade with any nation under a firm agreement to spend it on the nation's goods and services or trade the credit to another nation. Some hon. members will recall that in 1945 we had a prolonged debate on the Bretton Woods agreement. The Bretton Woods agreement gave creditor nations the right to demand payment in their own currency without any obligation whatsoever to accept goods of the importing nation. We stressed then that if that type of policy should continue one of two things was bound to happen. Either the debtor nation, the importing nation, would be forced to go farther and farther into debt to the exporting nation or they would be forced to curtail imports from the creditor nation. At that time when we were debating the bill in the banking and commerce committee I put the matter in these words as found on page 131 of the proceedings of that committee:

> What we want in the act mainly is a provision that a debtor nation in order to pay for its imports shall be recognized as paying for them when they establish a credit within their country in favour of a creditor nation and that that credit can be used to buy anything purchased within that country. Then if the creditor nation is not willing to accept goods from a nation with which it has a credit, if it desires to trade on a multilateral basis it may take the credit established on that basis for the credit of another country on a multilateral basis. So I say if the great industrialized nations are really sincere in this matter they should have shown it at this time and been willing to have an article to that effect put in the Bretton Woods agreement.

Unfortunately, however, that was not done. We continued on the basis of the triangular pattern of trade and as a consequence we have lost many of our markets in Europe, not because those nations do not desire to buy from us but because they lack the dollars for the very simple reason that we insist upon exporting more goods to them than we are willing to buy from them. Once again I say I think we are on the right track when we try to expand our purchases from the sterling area.

No one is suggesting that the Canadian exporter should have to accept sterling. We realize that the individual exporter cannot accept sterling. I should imagine the procedure would be that the exporter would draw bills in sterling on the British importer, discount them with his local bank and the bank would then discount them with the federal agency. The federal agency would then have a claim against sterling and would be able to make that sterling available to Canadian importers of British goods. We have consistently urged in the house the acceptance of inconvertible sterling. It is no good accepting ordinary sterling because if you are going to accept what is known as American account sterling it probably means you will be converting that sterling back into dollars and you might as well have taken dollars in the first place. What we think should be done is that there should be an agreement to accept sterling from Britain under the firm undertaking that that sterling will be used to buy goods of that nation. If that is done, I think we will find Britain is far more interested in our accepting inconvertible sterling than they are in our accepting American account sterling which may be converted at any time or on any day into dollars.

The former minister of trade and commerce and the former minister of finance were very much opposed to the idea of the acceptance of sterling. As a matter of fact, I remember earlier they used to try to ridicule the suggestion. They continued ridiculing the idea until the United States put into force their surplus disposal policy. They were then very critical of the United States for initiating such a program, and criticized it time and again. I understand that the present Minister of Trade and Commerce also is somewhat critical of the United States disposal policy.

I do not believe we really have any grounds for being critical of the United States in putting that policy into force. I feel it is time we broadened our policies out along somewhat similar lines. May I remind the minister of the background of United States surplus disposal programs? The minister may recall that back in 1948 or 1949 surpluses were starting to cause a great deal of concern. This matter had been referred to the Food and Agriculture Organization. The director general of the Food and Agriculture

Organization then appointed a committee of six experts to draft proposals for handling surpluses, and ways and means by which those surpluses might be distributed to other nations. These experts come up with a proposal known as the international commodity clearing house.

I want to draw the minister's attention to the functions of that clearing house because what the United States is doing today is along very similar lines. It is interesting to note that these proposals were rejected by the member nations. They were advised that one of the reasons the proposals should be rejected was that each nation could put the financial proposals into force themselves without having an international commodity clearing house. Let the minister note what the functions of that international commodity clearing house would have been. Mind you, these were proposals drawn up by a committee of experts under the director general of the Food and Agriculture Organization. The functions were:

(1) Subject to provisions outlined below, the purchase of stocks of commodities that are in surplus in the country in which those stocks appear.

(2) The negotiation of sales in inconvertible currencies in order to assist in maintaining the flow of trade during periods of exchange disequilibrium; such payments being guaranteed by the buying countries against losses from exchange depreciation.

(3) The negotiation of sales at special prices below the market to countries in need, under strictly defined conditions of use; for example, for relief purposes, special nutritional programs, or for development projects.

(4) As a long run function, the holding of stocks acquired in periods of surplus as reserves to protect the interests of consumers in periods of shortage.

(5) The negotiation of bilateral or multilateral trading agreements, or exchanges of commodities on a barter basis.

The minister will note that these functions outlined for the international commodity clearing house are the very things that the United States today are doing under their disposal program. As I say, at the time this program was turned down by the member nations of FAO they had been advised of a number of reasons why it should be turned down. Under paragraph (d), we find:

That the financial functions proposed for the international commodity clearing house could be performed by the governments directly involved.

The United States was one of the governments involved. The United States are today doing the very thing they were advised could be done by member nations of the Food and Agriculture Organization. I do not feel, therefore, we are in a very good position to criticize the United States for doing what they are doing today. I would suggest that instead of criticizing the United States what we should do is adopt whatever features there are in that policy that might be advantageous to this country. I believe we could very well accept inconvertible currencies from any nation to the extent necessary to provide for balancing trade with that nation. I am not suggesting we go beyond that. If we are agreed that it should be the purpose of international trading to exchange goods and services upon a basis of mutual advantage, then surely we should be willing either to balance our trade with nations or accept their currency to the extent necessary to provide that balance. We would thus remove a lot of the annoyances that are so often created between nations.

As an alternative to accepting foreign currency or sterling, I think we should be prepared to make advances of credit through the Bank of Canada to purchasing nations for the purchase of Canadian goods. The purchasing nation would be under an obligation to give Canada a prior claim on its exportable production, but should be required only to retire the advance of credit at the rate and to the extent Canada chooses to exercise its claim against the exportable goods. In other words, Canada would not have the right to demand payment in dollars. On the other hand, she would be free to exchange the credits for goods of another nation with which the debtor nation has a favourable balance of trade. Of course, the importing nation should be prepared to guarantee the rate of exchange on their currency.

As I have already stated, I think the government is to be commended for their effort to do something about the serious imbalance of trade by reducing our purchases from the United States and expanding our purchases from the sterling area. But I think most people will agree that probably that is a very long-term program. I noticed one of the British officials says there is no reason why it would not be possible to expand British purchases to $1 billion. This would be getting along pretty close to the objective of the Prime Minister, but it was pointed out that that may take many years. I feel we could expedite this matter by being willing to accept a certain amount of inconvertible sterling.

I hope the minister will not just brush it aside like the former minister. He must realize the people of the United States are good businessmen. They look upon this as good business. They are not doing it because it is philanthropic. They are doing it because they think it is good business for themselves. Let us remember it is having this effect. It is making surplus food available to the hungry people of the world and that, in itself,

is certainly a worth-while objective. At the same time, under the United States program, the farmer who produces that surplus food is getting fair prices. I hope the minister will give greater consideration to that program.

Mr. Stick: Mr. Chairman, I was very much interested this morning in the statement made by the Minister of Trade and Commerce. I listened to him with a great deal of attention. I regretted that he did not give us the forecasts we used to be given by the former minister of trade and commerce when he outlined the trading position of our country and gave us his views on the expansion of industry, as well as the amount of capital that would be invested. In other words, during the presentation of the estimates of this department we had a forecast of Canadian trade for some considerable time in the future. The minister in his wisdom or otherwise neglected to do that this morning. I regretted it, and I listened with a great deal of attention to his statement. I have not found very much in it that one could take home and think about. As a matter of fact the only commendable thing I could find about this statement was that it was so brief.

There is one part of the statement by the minister with which I agree and that was his tribute paid to the staff of his department, built up I might say by years of Liberal administration. I have had experience with the staff of this department and can readily agree with the minister when he pays tribute to their earnest efforts both at home and abroad. He said in effect that the purpose of the trade commissioners' service is to advance Canadian export trade and he also paid tribute to the personnel of that service. Then if this is correct, and I believe it to be correct as I believe the minister to be sincere in his tribute, why the necessity of sending the trade mission to England since we have such an efficient staff already over there which can inform the trade of Great Britain as to our requirements.

Now I understand statements have been made by the right hon. Prime Minister and other members of the government that it is the intention to transfer 15 per cent of our imports from the United States to Great Britain. Now to be fair I think that is a commendable idea but if the policy of this government is anti-United States to that extent it also raises a great deal of fears in my mind. I have no objection to transferring 15 per cent of this trade from the United States to Great Britain if we are not killing ourselves in the process.

Let us look at this trade position from a commonsense standpoint. First of all may I say that the people of Great Britain are not going to buy from Canada or anywhere else if they can buy cheaper elsewhere. We in Newfoundland have been trading with Great Britain for hundreds of years and we understand their trading position and know how they trade. I have a situation in my riding which is rather unusual and perhaps may be of interest to the members of this house and to the people of Canada. We had an unusual ice blockade around our coast this year. This does happen once in a while, and because of this tremendous blockade our national industry was interfered with. When I refer to our national industry I mean, of course, our fisheries industry which was affected to such an extent that our lobster fishing failed in large part, our salmon fishing failed and our cod fishing, which is our main fish product, was also interfered with. This brought about a rather serious condition in the fishing industry in a large part of Newfoundland, particularly in my own riding.

Now our fishermen, who usually give up the voyage either in the months of August or September when they go, as we say, into the lumber woods and work through September, October, November and December coming home for Christmas and thereby earning sufficient to provide for their needs and those of their families during the winter, were faced with a different situation. We have been exporting thousands of cords of pulpwood to Great Britain for the last 20 years and some of us on this side of the house agreed with the Conservative party when they said we should process our own raw material in this country. We have two large paper mills in Newfoundland but we have never begrudged Great Britain buying this material from us because we wanted to help them. This year, just as our fishermen were preparing to go into the lumber woods to earn their daily bread for the winter, we were informed by one of the large paper companies —the larger of the two in Newfoundland— that they had laid off 700 men, thus adding to our rather serious unemployment situation. When they were asked why they were not exporting this pulpwood to Great Britain —let it be understood that we exported this material during the war and at other times to help the paper industry of Great Britain and have made no complaint about it—we were informed that Great Britain was buying the pulpwood elsewhere. When we asked why they were doing so we were promptly told Great Britain could get it cheaper elsewhere.

Now this illustration bears out the point I made a moment ago, that Great Britain will buy wherever she can buy cheapest.

I am very much concerned about this anti-United States trade policy which the government is pursuing and the trouble it may cause in some instances because we in Newfoundland, for example, export our fish products to the United States and in fact that country is our main market. In the past we have had great trouble with the United States in persuading them not to put up the tariff on our fish and I would like to quote now from a statement which I have received from the economic survey service, Department of Fisheries. This was given to me when I first came up here for the session so it really does not have anything to do with my preparing for this debate. The report reads as follows:

Imports of groundfish fillets, including blocks and slabs for the production of fish sticks, into the United States amounted to about 138 million pounds in 1956. Imports from Canada, as in previous years constituted the most important source, reached a total of 99.8 million pounds, an increase of about 3.4 million pounds over 1955 and accounted for approximately 72 per cent of the total imports from all sources.

During 1956, 38.9 million pounds of blocks and slabs were imported into the U.S.A., of which Canada supplied 29.6 million pounds.

The United States tariff act of 1930 imposed a duty of 2½ cents a pound on imported groundfish fillets. This was reduced under the 1939 trade agreement with Canada to 1⅞ cents per pound; this reduced rate to apply on an annual quota of either 15 million pounds or 15 per cent of the average annual domestic consumption during the preceding three years, whichever is the greater. Imports in excess of the quota remain dutiable at the rate of 2½ cents per pound. Since the advent of blocks and slabs made from groundfish fillets, this product has been included under the same tariff classification item. These tariff rates were bound under GATT in both 1948 and 1951.

In 1955, the United States imposed a duty of 20 per cent and 30 per cent on uncooked and cooked fish sticks respectively—a rate which effectively prevented Canada from shipping this type of product into the U.S.A.

Of the total quantity of groundfish fillets entitled to entry into the United States in any calendar year at the rate of 1⅞ cents per pound, not more than one-fourth are permitted during the first three months, not more than one-half during the first six months and not more than three-fourths during the first nine months of that year.

During 1956 the tariff of 1⅞ cents per pound amounted to an ad valorem duty of about 9.4 per cent and the 2½ cent tariff to a tax of 12.5 per cent.

On October 12, 1956 the United States tariff commission unanimously found that, as a result in part of the customs treatment of groundfish fillets they are being imported into the U.S.A. in such increased quantities, both actual and relative, as to cause serious injury to the domestic industry producing like or directly competitive products.

The commission also found that in order to remedy this serious injury, it is necessary that the duty on the imports that enter under the tariff quota be increased from 1⅞ cents per pound to 2.8125 cents per pound, and that the duty on the imports that enter in excess of that quota be increased from 2½ cents per pound to 3.75 cents per pound. The president rejected this proposal in December 1956.

This was the proposal which the tariff board of the United States put up to the United States government. It was a most serious proposal and would have had a most serious effect on the fishing industry of Canada, particularly on the east coast. It was so serious that the government of the day made the most strenuous efforts to have this recommendation annulled. I would ask you to remember, Mr. Chairman, that I said this was the "unanimous" proposal of the United States tariff board. Fortunately for us it was within the power of our great friend in the United States, namely President Eisenhower, to veto this proposal. It was only after the most strenuous efforts on the part of the then government and the personal intervention of the former prime minister, Mr. St. Laurent, in taking the matter up with the president himself, that the president vetoed this proposal.

We now have this situation. The presidential veto power to reject a tariff recommendation would not necessarily die or be lost to the president should the tariff agreements act lapse. Section 350 of the tariff agreements act which authorizes the president to enter into tariff negotiations with foreign countries and agree to concessions was extended for a three-year period until June, 1958.

Those of us who know the United States, are friendly toward them and know of their generosity to us in the past, feel rather concerned about this switch in trade policy of this government. We also know that there is an election coming up in the United States next year, and we know how pressure is applied to the president, when it is necessary for political purposes, by the fishing industries of the New England States to have this tariff amended and to raise the tariff on our fish. I am gravely concerned, Mr. Minister, lest your policy—your anti-American policy, if I may call it that—on trade will strengthen the hands of the fishing industry of the United States to impress on the president the necessity of increasing the tariff on our fish products. If that happens, we in Newfoundland at any rate will be in an extremely difficult position. Indeed, so serious will it be that I doubt whether our fishing industry will be able to carry on.

I consulted with one of our biggest exporters of this type of fish to the United States. He sends to the United States about $3 million worth every year, thus helping to correct the imbalance of trade which we have between the United States and ourselves. He informed me that if this extra duty is put on our fish going into the United

States he will practically be compelled to close his business. He employs some 600 or 700 people. As I said before, Mr. Chairman, I am not at all against helping Great Britain, but I am very much concerned lest if we help Great Britain we will in the process hurt ourselves.

I should now like to speak with regard to this trade mission to Great Britain which I think has been very well received there. I do not wonder at that fact at all. Most of us know that most of the products that Great Britain can supply to Canada are textiles and motor cars. I do not know what will happen. We do not seem to be able to get the information just yet. Perhaps the minister will supply it later on. I do not know just what we are buying in Great Britain but I am gravely concerned that if textiles and motor cars come into Canada in larger quantities our own manufacturers of those products are going to be affected. I hope we shall be able to help trade with Great Britain but that we will not injure our own industry.

The minister is about to leave to go back to Great Britain. I wish him well in his mission. I hope he will be able to reconcile buying from Great Britain without injury to our own industry. He has told us that he has been wonderfully well received wherever he went. He has also informed us that the reception which the mission received and the eagerness of business people in Great Britain to meet the trade mission were beyond all his expectations. What could you expect, Mr. Minister? Of course they are going to meet you with a friendly hand. Of course they are going to entertain you and wine you and dine you. They have something to sell to us. Some of us who know how to trade with Great Britain know that they have gone all out to receive you with open arms; but we have not heard very much about what they are going to buy from us.

I have here a dispatch from Cardiff, Wales to bear out what I have been saying about this anti-American trade policy. Mr. Duncan, I understand, is the man who made this statement at Cardiff:

"It is only a short step between the loss of economic liberty and the loss of political liberty," James Duncan of Toronto, deputy leader of the Canadian trade mission said Tuesday night as he emphasized that Canada has a huge trading deficit with the U.S.

In this dispatch which is from Cardiff, Wales and written by Harold Morrison, a Canadian Press staff writer who is on the trade mission, it is interesting to note the following:

—Cardiff's lord mayor, while praising the mission's visit, said that Canada should follow Australia's lead and make greater use of Cardiff as a port for the movement of goods to Britain.

One can understand the lord mayor of Cardiff putting in a good word for his own port. But this part is rather interesting:

At the same time he urged greater Canadian purchases of Welsh coal.—

Welsh coal, if you please.

—noting that there has been an "alarming" drop in shipments to Canada to about 65,000 tons in 1957 from 1,000,000 tons in some previous years.

When reading statements like that, one wonders how much coal we are going to buy from Wales when we have coal in abundance ourselves for which we are trying to find a market.

Mr. Minister, you are soon leaving for Great Britain. I hope you will be successful. I hope that the mission will be successful and that we shall be able to help Great Britain. I am sure that you will receive a warm welcome when you return. Now that the Christmas season is at hand I would not be a bit surprised if you are named the No. 1 Santa Claus of Great Britain during the coming year.

(*Translation*):

Mr. L'Heureux: Mr. Chairman, may I take this opportunity, when the house is taking up the estimates of the Department of Trade and Commerce, to pay particular tribute to Mr. C. D. Howe, that great economist. I can speak out of personal knowledge for when I first went into business, I scrupulously applied his wise counsels to industrialists and Canadian financiers who were promoting the development of their plants or business, either by expanding or by the purchase of equipment, thus automatically furthering the economic expansion of this country. That is why I say that I am indebted to Mr. Howe for at least part of the success I have enjoyed.

I frankly admit that I have always looked upon Mr. Howe's statements as a barometer and a guide when I was planning my course at the beginning of any particular fiscal year. I am sure that a large number of Canadian businessmen set great store by his annual forecast which incidentally, never failed to come true.

How utterly different under this new government. A curious fact is that for all their bombastic statements and confident outlook, the new ministers by no means are inspiring the same degree of confidence as did the leaders of the great Liberal party. Hence the worry, nervousness, uncertainty, restlessness and weariness that grip the people of Canada.

No more striking example of this could be found than in my own constituency where our industrialists have not only expressed

concern but have protested in unequivocal fashion against the attitude of the present government.

Let me name but one large firm in my district, the Bennett Company Limited, of Chambly, which has forwarded a brief to the Department of Trade and Commerce and the Department of Finance in Ottawa setting out its worries and concern. This submission reads as follows:

(*Text*):

We believe that the government is making a tremendous mistake in not protecting Canadian industry.

"Free trade" cannot be considered with England or any other country when their standard of wages are not comparable with Canadian standards. It is impossible for Canadian companies to pay $1.50 an hour compared to 50 cents an hour in England and have the resulting products competitive in price.

(*Translation*):

The firm admits that it is all very well to say we should buy British goods but wonders whether Canada can compete with England when wages for the same classes of employment are $1.50 an hour here and 50 cents over there.

Our government must change their attitude and policy as far as our imports from England are concerned. The situation demands a very serious study on the part of Canadian authorities. As suggested by the Bennett Company, if the government want at all cost to promote the employment of Canadian labour, they must take a quite different stand and clearly side with Canadian industry.

When our manufacturers are no longer able to stand the competition of imported goods, an economic depression will set in. Our industries will shut down and our workers will be unemployed. Imported shoes, for instance, will still be available at $4 or $5 a pair, but the worker will not have the money to buy them. I would rather pay ten or twelve dollars for a pair of shoes, and have the money to buy them, and at the same time avoid a depression such as we had in the thirties, under another unlamented and Conservative government.

A further suggestion appears appropriate to me in another field. The government should co-operate with companies such as the Canadian Industries Limited in carrying out a vast program of scientific research.

After all this company, as many others of the same type, spends huge amounts each year on research aimed at finding new markets for new or better products. Those master chemists and scientists contribute to the expansion of our industries and, by their knowledge, can help solve many problems.

Let me make still another suggestion as to how the wheat problem in western Canada might be solved.

[Mr. L'Heureux.]

This $150,000,000 program put into effect by the present government in seeking to settle the acute problem of the disposal of wheat is designed to provide the western farmer with interest free cash advances.

May I say that this measure can only be a stopgap. True, the cash advances provided to the individual farmer will run as high as $3,000 but this will in no way dispose of the enormous quantities of wheat accumulated in storage.

I would like to bring my modest contribution to the solution of this problem. Why not set up an agency which would undertake research to discover new by-products of wheat? After all, if it has been found that wood can be used to manufacture paper, why should not wheat be used to manufacture new products?

As far as the constituency of Chambly-Rouville is concerned, I would like to bring to the attention of my colleagues the possibilities offered by that federal constituency.

Now don't think this is just another wholly agricultural county of our province. It is, indeed, an agricultural county, but because of its geographical position, it is a district which also occupies a strategic position in the great triangle that is developing as a consequence of the St. Lawrence Seaway project. Situated along the southern bank of our majestic river, and south of the Canadian metropolis of Montreal, the county of Chambly-Rouville is a hive of residential and industrial projects.

This brings me to point out to the Conservative government that those great projects must absolutely be continued, particularly after the Liberal government has set the foundations of unequalled economic development.

When you read the history of the United States,—and you will recall that a former Liberal leader once said that the 20th century "belongs to Canada",—you realize the tremendous development which has occurred in that great country, particularly in that corner of San Francisco which is referred to as "the Golden Gate". Well, Mr. Chairman, the district which I have the honour to represent here will be named the "Golden Triangle of Canada". The district extending from Beauharnois to St. Johns and from St. Johns to Sorel is indeed the "Golden Triangle". This will occur, of course, provided the Liberal party is brought back into power, so that it may keep on giving this country this era of prosperity which used to be ours, because at this time, the Conservative party is merely engaged in electoral overbidding, thus destroying the economy of the country, after having sabotaged national unity. It is most unfortunate that, after dealing a first

nasty blow at national unity by holding that his party can manage the affairs of Canada without the help of the province of Quebec, the hon. Minister of Trade and Commerce (Mr. Churchill) should now get down to sabotaging Canadian economy by clinging to an obsolete imperialistic feeling which would alienate the friendship of the United States, whose economic contribution to our Canadian development has, up to now, been a tremendous asset.

The Canadian people can rightfully regret its old love, the Liberal party.

(*Text*):

Mr. Smith (Lincoln): Mr. Chairman, I did not have the opportunity to speak during the debate on the speech from the throne but I think this would be an appropriate time for me to express my opinion on matters which affect Lincoln county, the constituency which I have the honour to represent, and which in a general way affect all parts of Canada.

Canada's most unfavourable trade balance with the United States and other countries coupled with our tremendous surplus of farm produce was one of the main reasons that brought about the change of government on June 10. This condition was created by the disorderly importation into this country of manufactured goods at prices with which our factories could not compete and the dumping of surplus farm products from the United States into Canada at prices below cost. The loss of world markets for our farm products was also a very important factor in this slump in the farming industry. I fully realize that there are many problems the Minister of Trade and Commerce has to solve in order to correct some of those conditions. If we examine the records of trade and commerce we find that imports and exports between Canada and the United States represent the area wherein most of our problems lie.

I firmly believe that at least 15 per cent of our trade with the United States can be diverted to Great Britain in the purchase of heavy machinery and equipment much of which is not made in Canada at the present time. This exchange should be based on Great Britain's purchasing in return a further 15 per cent more in terms of farm products under a trade agreement which I am sure this government can easily negotiate with the British government.

Turning now to the problem that faces Canada's light industries including textiles, small tools, hardware, etc., something must be done in the very near future to offer them assistance. If action is not taken soon there will not be a textile plant left in Ontario. Our chief competitors in textiles are Japan and West Germany. Both countries purchase a considerable amount of Canadian wheat and therefore we cannot disturb that trade too much. However, their exports to Canada are increasing rapidly and our exports to those countries are not increasing at the same rate. We do not wish to discontinue trading with any country, but in these days, when every country seems to be extending its markets, we do not want to be caught short, which we have been. The only way we can possibly protect ourselves today is by trade agreements.

How can Canada compete with Japan on an almost open market like the Canadian market today? I am told that the pay of semi-skilled and skilled labour is from 50 cents to 60 cents a day. In Ontario people performing the same job are paid from $1.25 to $2.50 an hour, with compensation, unemployment insurance, holiday pay and, in most factories where they are covered by union agreements, they have sick pay, life insurance, hospitalization, Physicians' Services Incorporated and, in some cases, a guaranteed annual wage. We have them all. Most of those measures are unknown in some of those countries I have mentioned.

During the last four years of the Liberal government, Lincoln county, the county I represent, lost four good textile plants with a payroll of some 1,200 people. My opponents in the last election said, "What of it?"

An hon. Member: Oh, no, they didn't.

Mr. Smith (Lincoln): They said, "The factory buildings have been taken over by other industries." But that is not the solution of this problem. When an industry closes down and the machines are moved away it is a calamity to the community and municipality. The people lose their lifetime jobs and in many instances they find it very difficult to become re-established.

I have checked some of the records and I have found that plywood, which is something that is used a great deal in Canada today, is having a difficult time. I understand that a great many of the plywood mills in British Columbia are shut down. I have noticed in Ontario in the past few years that a great deal of Japanese plywood is being used. I checked the records in the Department of Trade and Commerce and I found that five years ago no plywood was coming into this country from Japan. Four years ago about half a million dollars worth came in and by the end of this year there will be something like $3 million worth of plywood come into Canada from Japan. I do not say that this is very wrong, but I am just citing it as a reason why we have to check into

trade and commerce. Here we find the mills in British Columbia almost shut down and we are bringing plywood into this country from another country. I believe that some of the logs that are used to make plywood in Japan come from British Columbia.

I might say that I was down in the province of Quebec and visited the town of Victoriaville where we go quite often. They used to have a very fine plywood mill down there. They have two of the largest furniture factories in Canada and they used the plywood from their own mills. The last time I was down there that factory also was shut down.

Small tools is another item that affects Ontario. We have a number of plants in St. Catharines which are manufacturing small tools. We find today that in order to maintain their sales staff and keep their markets some of those plants are having their products manufactured in West Germany, brought out to this country and sold under their own brand names. That is not a good condition. I do not say that we can cure it all at once but it is just the trend of things today. We are buying too much from abroad and causing unemployment in our own country.

When we were discussing fisheries the other day it was brought out that at the present time we are importing large quantities of salmon from Japan. I checked that and I found that most of that salmon is caught just outside of territorial waters. It is processed in floating canneries and some of it never even sees Japan.

In closing, sir, I must say that our government must approach this whole problem of agriculture and light industry with a realistic and a sympathetic attitude. It must keep in mind the fact that it was Canada's trade deficit of $1,300 million and our depressed agricultural industry that brought so many new members like myself to Ottawa. I have great confidence in our new Minister of Trade and Commerce. I wish him well and I am sure that if he approaches matters, as I say, in a sympathetic and a realistic manner, we shall have success.

Mr. Johnson (Kindersley): Mr. Chairman, I wish at the outset to join with those who have wished the Minister of Trade and Commerce every success in his office. I think we all realize the importance of this department, since it affects the daily life of every Canadian citizen. It is unfortunate that the minister took office at a time when there is a shadow caused by the problems arising out of the international investment position. There are several suggestions which I should like to make in this regard and in other aspects dealing with the minister's department. I want to emphasize the international investment position and in doing so I am not putting any blame on the present administration; nor do I think that blame can be put on the former administration because we, as Canadians, are all to blame for allowing the situation to develop.

I would draw to the attention of hon. members a publication put out by the dominion bureau of statistics entitled, "Canada's International Investment Position, 1926-1954". It provides an analysis of the trends which have built up over the years and I think that our immediate responsibility is that of analysing those trends and determining corrective measures which will stop the trend if, in our opinion, we feel it is not in the best interests of the people of this country.

I think it is important to note that two of the measures which this government has already adopted are aimed at correcting the trend. I think the one which came into being first was the commonwealth conference, and we are hopeful that it will achieve its objective of diverting more of our trade from countries where we have an imbalance to countries where we have a credit. The present trade commission, which is currently touring the United Kingdom, can play a very valuable role and we wish it success in achieving that end.

I think it is particularly important that this be given consideration, in view of the developments which are taking place in continental Europe, such as the development of the free-trade area which will in all probability make our trading relations with those countries somewhat more difficult and adjustments must be made on our behalf.

In reference to the imbalance of our international trading position, I should like to quote from the publication to which I referred. It says:

> Non-resident ownership of Canadian manufacturing now amounts to about a half of the total capital employed and to well over a half in the case of mining, smelting and petroleum.

I think all hon. members will readily agree that it is a very dangerous trend to have foreign capital taking ownership and control of some of our basic industries. It is understandable, of course, that in the period through which Canada has gone a certain amount of risk capital should come into the country, but I am also certain that we as Canadians must put ourselves in a position to be able to exercise sufficient control over this foreign investment to ensure that in fact we do control the industries that exist in

Canada. The publication goes on to state the following respecting these concerns controlled in the United States:

> These larger concerns, with an investment of $1 million or more, accounted for some 30 per cent of Canadian manufacturing production in 1953 and 21 per cent of employment in that field.

There we have an insight into the implications that have developed in the first half of this century through allowing foreign concerns to control in fact many of our Canadian industries. As foreign capital achieves greater control of industry operating in Canada, this in turn makes it more difficult for private individuals to establish themselves in the manufacturing field since they are competing against large concerns with limitless amounts of capital.

This is particularly significant in the automobile industry. Ninety-eight per cent of the Canadian automotive industry is dominated by large United States controlled enterprises. This thought went through my mind last Monday when we were discussing the plight of the industry due to lay-offs resulting from the uncertainty of buyers as to reduction of the excise tax on automobiles. It seemed to me that perhaps these United States concerns were closing down their Canadian plants in an effort to use this action as a lever against the Canadian government to reduce the tax and thus provide the industry with an advantage which they were not prepared to provide for themselves through a reduction in the price of their product.

I should point out too that the rubber industry is another that is largely controlled in the United States, as are the petroleum, iron and machinery industries. I am just mentioning them and I am not going to go into a great amount of detail because it is a very technical subject. However, I wish to draw this very serious trend to the minister's attention, a trend that exists at a time when we have an imbalance of trade with the United States. Of course, the imbalance has been covered over the years by capital inflow, both in direct and indirect investments. The deficiency last year amounted to over $1 billion, and as we continue to import more from the United States than we export to that country this situation is offset by a larger inflow of United States capital which in turn aggravates our problem by creating more and more domination of our industries by a foreign power.

I hope the minister will give these factors serious consideration and do everything possible to halt and reverse this trend. It is important that this be done because of the tremendous changes that have taken place in the whole pattern of international trade since the war. The hon. member for Acadia, in a very sensible speech as usual, remarked on the change in the trade pattern that had taken place. He pointed out that we no longer have the multilateral trade which existed from the turn of the century up to world war II when Great Britain was the clearing house and trade was channelled in a multilateral way. As an individual country we must now concentrate on unilateral and bilateral trade agreements and, again keeping the emphasis on Canada's international investment position, it will be necessary to establish import-export boards so that our trade will be in useful channels and in commodities which are in fact necessary in Canada.

It has been said many times and should be said many times that we can sell to countries only if we are prepared to buy from them. I think I should again draw attention here to the very serious omission in the opening remarks of the Minister of Trade and Commerce, the complete omission of any reference to what was termed by the Prime Minister during the election campaign as Canada's No. 1 problem, our tremendous wheat surplus. It is part and parcel of the whole problem of trade. For years wheat was our major export commodity. It has dropped in recent years to second or third place but it is still of extreme importance to the people of western Canada and, in fact, all of Canada.

The fact that we have a billion bushels of wheat in public and private storage is indeed an important consideration directly related to international trade. In my opinion it is necessary to follow trade policies that will give consideration to this problem. This will require the importation from countries which are in a position to buy from us of sufficient goods to provide them with funds with which they in turn can purchase our grain. If difficulties do arise, as in fact they do, I think serious consideration should be given to barter arrangements to permit countries that do not have the required amount of dollars to make direct trades with our country.

I recall asking the minister if consideration had been given to having the trade mission currently touring Great Britain discuss this problem and he pointed out that consideration had not been given to barter arrangements because it was not found necessary. When we have a billion bushels of wheat in storage I think it is necessary to give consideration to barter arrangements. It is necessary to give consideration to long-term credit agreements so that this wheat, which is a glut on the Canadian economy, can move into foreign markets.

This will also require consideration of the acceptance of foreign currencies. Failing the adoption of these programs with respect to international trade, we then have the responsibility of launching domestic programs to take care of the existing situation. If we are not going to have trade policies that will enable our wheat to move freely into the marketing channels of the world, the responsibility must fall on the government to provide policies that will enable the farmers to exist. I know that some of my colleagues will be dealing further with this subject and I do not want to labour the point now because it will be gone into in more detail on the specific items in the minister's estimates.

But I would point out that one solution that could be adopted would be to increase the amount of grain in storage on which storage charges are paid. The previous administration introduced legislation to provide for the payment of storage charges by the federal government on all grain in excess of 178 million bushels. I am completely in the dark as to how the figure of 178 million bushels was arrived at, but I would suggest that they take that figure out and pay the storage charges on all grain which is, in fact, in storage. Consideration must be given also to the application of programs to benefit all farmers, the ones which were mentioned by my colleague the hon. member for Dauphin in the form of deficiency payments; the adoption of the two-price system and the payment of storage to farmers on farm-held grain.

I have dealt, rather hurriedly I must admit, with some of the aspects of the trade of our country. I should like now to make reference to two specific problems relative to the commerce of our country. I am quite certain that the minister will be in a position to more readily correct these problems than ones to which I referred previously. I am the father of three children, and on occasion I have been sent by my wife to buy a pair of jeans for one of the boys. I arrive at the department store and look for a size 6. When I find one that seems to be satisfactory I bring it home. Often I find that it would very easily fit my 8-year old daughter. On the other hand, I may find a similar garment, take it home and I might be lucky if it fits my 4-year old son. Apparently, Mr. Chairman, there is a complete lack of standardization in the quality and style of children's clothes. I am bringing this to the minister's attention because I have received many complaints from mothers across Canada. We can appreciate the difficulty they have in getting away to shop for their families, and I think steps should be taken to standardize the sizes of children's clothes. All garments marked "Size 6" should be the same size, and then when we hapless fathers are sent out on a shopping errand we would have more guidance in the selection of these articles.

The second item about which I should like to complain and draw to the attention of the house is this miserable practice which has been developing in recent months of pressure merchandising. The practice seems to be to stuff all kinds of toys and objects in these so-called breakfast cereals. I have been out shopping with my children and I have been coerced, cajoled, cried at and commanded to buy certain brands of breakfast cereal just for the purpose of obtaining the marble, jet airplane or toy pistol inside the package. I believe controls could be exercised to prevent this merciless pressure being put on the parents of Canada. It is very difficult for parents who are with their families to turn down the request of the children who want the toys far more than the breakfast cereal. The result is that you have dozens of boxes of breakfast cereal cluttering up the closet which the children do not want. If someone has a secret on how to say no, I wish they would let me in on it.

Equally bad, but not with the same devastating result, is the practice of placing premiums in packaged goods. The best example of this practice might be the packaged soaps. You find a huge box of soap, you buy it and find it is filled with a bath size tea towel or bath size beach towel, with a small quantity of soap at the bottom. I would not mind having a bath size tea towel, at that. I think regulations should be invoked to protect the housewives all across Canada from this type of pressure advertising. I believe that this would come under the jurisdiction of the department of commerce.

I have one final suggestion. I am making a plea on behalf of the small merchants throughout the length and breadth of Canada that we get rid of these premium coupons. This practice may be all right for the large merchants who have the capacity to deal with these coupons, but the small merchant does not have a filing system for keeping these coupons until the salesman happens to come around. What happens is that the small merchant is bearing the cost of the premium which is offered by the soap company or whatever company it may be. If the manufacturers do, in fact, want to provide an incentive, let them reduce the price of their commodity by 5 or 10 cents. In this way the individual merchant will not be saddled with these onerous responsibilities.

I see that it is very nearly five o'clock, Mr. Chairman, but I did want to make these general suggestions, both in dealing with international trade and giving consideration to the burdensome surpluses which we have. I wanted to draw the attention of the minister to these problems which are faced by the mothers, fathers and housewives throughout the length and breadth of Canada. I trust that the minister will give them serious consideration, and I am sure everyone would be grateful if action were taken.

Mr. Schneider: May I call it five o'clock, Mr. Chairman?

Item stands.

Progress reported.

PRIVATE BILLS

OTTAWA AND NEW YORK RAILWAY COMPANY

The house in committee on Bill No. 30, respecting Ottawa and New York Railway Company—Mr. McIlraith—Mr. Rea in the chair.

On clause 1—*New York Central Railroad Company liable for claims, etc.*

Mr. Bell (Carleton): This bill marks the end of an era. It means the final cessation of New York Central service into the nation's capital. Had the evidence and proceedings of the standing committee on railways, canals and telegraph lines been printed and made available, probably it would not have been necessary for me to ask my genial neighbour, the hon. member for Ottawa West, the questions which occur to me about this bill. Regrettably, the printed evidence of the committee is not yet available and there are one or two matters about which I should like to make some inquiry.

The first is this. Would the hon. gentleman tell the house what the New York Central Railway Company has done for its employees, on the cessation, last spring of freight operations into the city of Ottawa in accordance with the order of the board of transport commissioners?

Mr. Chevrier: Mr. Chairman, I think I am rather familiar with this bill because it arises out of certain expropriations by the St. Lawrence seaway authority during the time when I was president of that corporation. I should like to preface my answer to my hon. friend with a brief statement about the manner in which the bill comes before the house. The New York Central Railway operates from Ottawa to a point near Rooseveltown in the state of New York. The plans of the St. Lawrence seaway authority and the St. Lawrence seaway development corporation, the United States entity building the seaway, provided for a loop over Cornwall island at substantial cost.

When the St. Lawrence seaway authority looked at the plans they discovered that instead of following that loop and relocating the railway they could follow a straight line and save a considerable amount of money by purchasing the line from Cornwall to Rooseveltown. It also appeared during the course of the study of these plans that the New York Central railway was considering the abandonment of the line because of the fact there was little or no freight traffic over the line. It is well known that in the last few years there has been no passenger service between either Rooseveltown or Cornwall and the city of Ottawa and just one freight service per week, but what prompted the New York Central railway to give consideration to the whole matter of sale and abandonment was the fact that two companies in the United States had invited the New York Central to give them certain freight concessions if they established themselves on the south shore of the St. Lawrence river.

In view of all the circumstances the St. Lawrence seaway authority and St. Lawrence seaway development corporation decided to purchase this railway from Rooseveltown to Cornwall and an application was then made to the board of transport commissioners. The board thereafter approved of the application to discontinue and abandon the line but not until after a similar application had been made by the New York Central railway before the inter-state commerce commission in the United States, and granted by them.

Now dealing with the question raised by my hon. friend with respect to the employees who were affected I understand that by virtue of a section of the Railway Act it is possible for employees to make certain representations to the board for compensation. The employees did this and the board, by virtue of one of the sections of the act, referred these representations to the Supreme Court of Canada. I understand that the Supreme Court of Canada made a ruling on the question to which the hon. gentleman has referred and which, I am sorry to say, was not favourable to the employees of the New York Central railway.

Mr. Bell (Carleton): Does that mean then that these employees have been left without any right whatever as a result of the abandonment of this line?

Mr. Chevrier: No it does not mean that, because I understand by virtue of the agreement which they have with the New York Central railway they are entitled to certain

rights. What those rights are I am not in a position to say but they did demand certain additional rights for compensation which the New York Central was not prepared to give and they appealed to the board of transport commissioners. The matter was then referred to the supreme court.

Mr. Bell (Carleton): Could the hon. gentleman tell us the nature of the question before the supreme court? On exactly what grounds was this appeal made?

Mr. Chevrier: No I could not answer that question because I have not my file before me at the present time; I have to draw on my memory. When the appeal was heard I was no longer president of the seaway authority but I was when the expropriation was made, and I know that representations were made by the brotherhoods, not only to the New York Central in the United States but also to the Ottawa and New York railway here in this country. What the terms of the agreement were I am not able to say but I do know the employees had every opportunity to submit their claims and their complaints to the board and that the matter was referred, as I have said, to the Supreme Court of Canada.

Mr. Bell (Carleton): Would the hon. gentleman or the sponsor of the bill tell us how many employees were affected by this ruling?

Mr. Chevrier: There were not many.

Mr. McIlraith: I regret I am unable to give specific answers to the questions of the hon. member for Carleton. We are in the position where he did not follow the usual practice of asking these questions in committee when the witness was available who could have given specific and detailed information. If I had a word of warning I would gladly have had all this information for him today. I would have been very glad to do this if I had been warned at all that he had any interest in asking this type of question.

Mr. Bell (Carleton): Of course, Mr. Chairman, my genial neighbour will realize that I am not a member of that committee so there is a perfectly good reason why I did not ask the question there. I prefaced these questions by saying that it would probably have been unnecessary to make these remarks had the evidence and the proceedings of the committee been available to the house, which is not the case.

Mr. Chevrier: Well the hon. member could attend the committee, notwithstanding; he has the right to do that.

Mr. Bell (Carleton): Oh yes, any hon. member may attend a committee, but I do not believe it is the right of any member to participate in examination at a committee of which he is not a member.

Mr. McIlraith: Oh yes.

Mr. Benidickson: He can ask questions.

Mr. McIlraith: Oh yes, the hon. member for Carleton is not quite right in that. A member may ask questions and I want to assure him that I would have been most happy to have had all this evidence brought out, or to have it here today for him if I had any means of knowing that he would be concerned on that point.

Mr. Green: Well now, Mr. Chairman, the hon. member for Ottawa West knows very well that a member who is not a member of a standing committee can only take part in the proceedings with the consent of the committee itself and that it is a very very unusual thing to do. The hon. member for Carleton is today exercising his rights in a proper manner—

Mr. McIlraith: Oh, quite.

Mr. Green: —by asking questions when the house is in committee of the whole.

Mr. McIlraith: Quite.

Mr. Green: And the hon. member for Ottawa West and the hon. member for Laurier should have the answers to these questions. Anyone who is sponsoring a private bill must expect to have questions of this kind asked and I do suggest that they are not helping their case very much by trying to tell the hon. member for Carleton that he should not ask questions.

Mr. Chevrier: On a point of order. No one has said the hon. gentleman has no right to ask questions. On the contrary he has a perfect right to ask any questions he likes. The point I made is this: The hon. member is entitled to attend at any committee meeting; although he may not participate without the consent of the chairman. Now I have been dealing with the railways, canals and telegraphs committee and with the railways and shipping committee for years and I know that members from the other side of the house who were not members of the committee have repeatedly come to those committees. I am just trying to draw on my memory now and I wonder if the hon. member who leads this house did not come on one occasion. However, I know that hon. members on the other side came and asked permission to be heard and if they did not they sat there and listened to the proceedings.

Mr. Green: The hon. member for Laurier has been away digging the seaway for the last four years and he has not been attending all these standing committee meetings

in that time. On the other hand I have been attending far more meetings of the standing committee on railways, canals and telegraph lines than he ever attended and I can tell him that it was on a very very rare occasion that any member of this house who was not a member of that committee appeared and asked questions. On each occasion on which it did happen that member had to get the leave of the committee itself or certainly of the chairman before he could do so. For the hon. member for Laurier to now suggest that the hon. member for Carleton is doing anything which is not strictly his right—

Mr. Chevrier: On a point of order, I have not suggested anything of the kind and the house leader has no right to say I did suggest that.

Mr. Lafontaine: He did not do that.

Mr. Chevrier: He knows far better than that. I have not made any such statement and he should not be trying to stall the passage of this bill by interjections of that kind, which are certainly not helping.

Mr. Green: I am not trying to stall anything, but when the hon. member for Laurier who has had so many years experience in this house—and the same applies to the hon. member for Ottawa West—has the presumption to lecture a new member of the house on what he can or cannot do in this house I am going to come to the defence of that member every time.

Mr. Chevrier: Let the hon. house leader come to the defence of the member as long as he states the facts correctly and let him not say that any hon. member has been trying to stop the discussion. That is not the case.

Mr. Green: The trouble with the hon. member for Laurier and the hon. member for Ottawa West is that they cannot answer these questions which are properly asked. That is their whole difficulty.

Mr. McIlraith: Far be it from me to lecture the hon. member for Carleton. I hope he did not understand my remarks in that way. I was not trying to do that: far from it. I was trying to explain why I was not able to answer his specific question. It is rarely that I am not able to answer specific questions in this house. I think I ought to put the leader of the house straight on the point he made about the committees. Members who are not members of the committee can come in, take part and ask questions. He is quite wrong. I have had occasion sometimes to sit on committees in the last few years. If he wants to digress into that subject, which I think is probably irrelevant, there are a good many examples that can be given him. I recall his participation on one occasion as a member of the committee—he was a member of the committee—when that was done at some length. Perhaps it is not relevant to pursue that subject now but I want to make it clear to the hon. member for Carleton that there has been no attempt to lecture him at all as far as I was concerned; far from it. I did not think that he took it in that way.

Mr. Green: All you have to do is answer the question.

Mr. Bell (Carleton): I assure you, Mr. Chairman, that I did not take the hon. gentleman's statements as a lecture nor did I take what the house leader said as a defence. I think the hon. member for Carleton is in no need of defence, although he is a new member, and that he will present his opinion on whatever matter may be before the house without any fear whatever of being stopped, provided he keeps within the rules. The only point I was making in respect of the proceedings of a committee was simply that I could go to the committee and ask questions by leave only. With the other meetings which have been taking place, I was not aware of the date upon which this particular bill was posted. Perhaps I should have been. Perhaps, although having other duties to perform, I should have been at that meeting at that time. But I am sure that no one in this house would be more willing to answer questions than either of the hon. gentlemen opposite. Therefore, I hope I may have an opportunity of placing before them two or three more questions which I have in mind.

I observe that the preamble of the bill says that all the assets of the company have been sold. What I should like to ask the hon. member for Ottawa West is what has happened to the right of way between Cornwall and Ottawa. Has it in fact been sold. If so, to whom has it been sold and at what price?

Mr. Chevrier: Perhaps I should give a short history of that matter, if I may. The right of way from Cornwall to Ottawa is, I think, somewhere in the neighbourhood of 57 or 58 miles long. When the seaway authority was faced with the new work concerning the highway bridge and concerning the railway in the international section, it approached the New York Central railway authorities with a view to purchasing the line, the intention being to turn over a portion of the line to the federal district commission and also to try to interest the province of Ontario in

building a short highway from the centre of the seaway which was Cornwall to the city of Ottawa.

While I personally made no representations to the department of highways in Ontario, others in the federal government did so in an attempt to follow out a suggestion that had been made for many years that a short road be built between Cornwall and the city of Ottawa. The provincial authorities thought it of interest and decided that they would like to make a survey. After a period of some months they made the survey and reported that they were not interested in the purchase of the line either from the New York Central or from any other group. Neither were they interested in constructing a highway from Cornwall to Ottawa. That idea therefore had to be abandoned. After I left, however, I understood that the Canadian National Railways purchased the line from Cornwall to the city of Ottawa. While I am not sure whether or not it is in operation, I know that the southern extremity in the vicinity of Cornwall is being used and operated by the Canadian National Railways as, I understand, is the northern extremity into Ottawa. That part between the two I am told is being abandoned and sold for scrap.

Mr. Benidickson: I am not, I confess, speaking to the bill itself, Mr. Chairman. Probably I should say I am speaking on a point of order. I recall that when I entered the house in 1945 I was on occasion called upon, as a private member, to sponsor bills of this kind. At the time I was told that I was approached for two reasons. One was that bills of this kind require sponsorship by a member of parliament by reason of statutes, and generally it was required that a private member sponsor them; and the solicitors in Ottawa who have this work in their offices had come to believe that bills of this kind should be sponsored by someone sitting on the right of the Speaker. Certainly at that time there was no great majority of one party or the other on the right of the Speaker. I am referring to 1945.

The point I raise is this. Later than 1945 I had the honour of being made a parliamentary assistant and again was asked, because of my legal training, by friends in the profession whether I would do them this courtesy. I then said that I did not think that—although my association with the goverment was, as one understands, fairly remote—I was competent or able any longer to do that kind of thing. I know that we have in this parliament a great number of new members and they may not understand this matter of sponsorship of private bills. I can say that when I sponsored—

Mr. Bell (Carleton): Is the hon. gentleman under the impression that I am sponsoring this bill?

Mr. Benidickson: No; not at all. May I say immediately that my concern was aroused early this session because I found that one of the new parliamentary assistants, whom I have no desire to name, was sponsoring a private bill of this type during the current session. It was something that I do not think had occurred in recent sessions and certainly was something that I felt I myself should not do. I make no suggestion of wrongdoing on the part of the new member and new parliamentary assistant concerned. I am just raising this matter, on a point of order, as something that I think the house should consider for the purpose of deciding future conduct.

For the benefit of non-lawyers, may I say that when I was asked to sponsor certain of these private bills, and did so because they could not be advanced in the house otherwise, I think two or three of them were bills that involved commerce, as happens today, and that two at least did not involve commerce. One involved the incorporation of the Canadian Arctic Association and the other I think involved the incorporation of the Canadian Nurses' Association. Just to indicate the situation to new members and to the public at large may I say that—it may be coincidence or not—it so happens that I never so much as received a letter of thanks from the solicitors who were sponsoring the commercial bills to which I attached my name.

It happens I sponsored the bill with regard to the Canadian Nurses' Association and after the bill received third reading in this house I found on going to my office a beautiful bouquet of flowers awaiting me there. With respect to the Canadian Arctic Association—

Mr. Knowles (Winnipeg North Centre): I wonder if my hon. friend would somehow relate what he is saying to clause 1 of Bill No. 30 respecting the Ottawa and New York Railway Company?

Mr. Bell (Saint John-Albert): He is busy tossing bouquets at the moment.

Mr. Bell (Carleton): The hon. member rose on a point of order.

Mr. Benidickson: The other point I wanted to make referred to the other non-commercial bill I sponsored. I am just wondering what the committee that deals with the bill would think of the propriety of parliamentary

assistants sponsoring bills of this kind. Of course, that is not at issue in this particular bill.

Mr. Bell (Carleton): Mr. Chairman, the hon. member has been raising some questions in connection with this bill. My hon. friend who happens to be my predecessor in the role of parliamentary assistant to the Minister of Finance raises a point of order which, with great respect, I submit has no relevance whatever to what has been happening here this afternoon.

The Acting Chairman (Mr. Rea): I know.

Mr. Knowles (Winnipeg North Centre): If that is the case, Mr. Chairman, why do you permit it to be discussed?

The Acting Chairman (Mr. Rea): I think hon. members will agree that the reason I allowed the hon. member to continue was that I thought perhaps the new members might learn something. I will, of course, read from part 2 of Standing Order No. 59 and this will be for the new members.

Mr. Knowles (Winnipeg North Centre): And the old.

The Acting Chairman (Mr. Rea): Part 2 of Standing Order No. 59 reads:

(2) Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

We are now considering the bill respecting the Ottawa and New York Railway Company, clause 1.

Mr. Bell (Carleton): Mr. Chairman, I wonder if I might have an answer to the question I asked as to the price at which the right of way of the railway was sold apparently, according to the hon. member for Laurier, partly to the federal district commission and partly to the Canadian National Railways?

Mr. McIlraith: Mr. Chairman, the total price paid to the railway company was, I believe, $4.5 million but I am not clear as to what was included. I know there was more than the right of way from Cornwall to Ottawa. I know that included in that there was the undertaking of the railway south of highway No. 2 near Cornwall and there were rights on the bridge but I am in the position of not being able to isolate the price for the right of way itself.

Mr. Chevrier: Mr. Chairman, may I answer the question now? I am sorry not to have been able to answer sooner but I had to get the information from certain members of authority, I was in error in one statement I made and I would like to correct it.

Mr. Bell (Carleton): Which authority was that?

Mr. McIlraith: The St. Lawrence seaway authority?

Mr. Chevrier: No, it was not the St. Lawrence seaway authority, but another authority. I would not like the committee to think that I can communicate as easily as that with the former members of the St. Lawrence seaway authority.

Mr. Bell (Carleton): I just wanted to be clear.

Mr. Knowles (Winnipeg North Centre): I assume that the hon. member for Laurier is an authority himself.

Mr. MacInnis: He wishes he were.

Mr. Chevrier: I am informed that clause 1 of the bill makes it quite clear that the New York Central is liable in respect of all claims, demands, rights, securities, causes, debts or anything owing and that the employees my hon. friend has asked about are not employees of the Ottawa and New York Railway Company concerned in the bill before us but employees of the New York Central.

When the application came before the board to abandon the railway some question was raised about certain rights of compensation of the employees and a second hearing was held—I was given the date but apparently I do not have it now,—at which the question of compensation of the employees of the New York Central was considered. The compensation was for moving these employees. For instance, New York Central said it would try and re-establish some of the employees on the United States side of the line and the employees felt that they should be entitled to compensation for moving. For example, some of them resided in Cornwall and others in Ottawa and in cases where the New York Central was able to obtain work for them in Watertown, New York, for instance, the question was whether or not the New York Central would be responsible for the compensation.

The board, as I said, granted the application for abandonment and also after carefully considering for the greater part of a day the question of compensation the board decided against the claim of the brotherhood for compensation and stated the railway company was not liable to pay compensation. The brotherhood has appealed to the supreme court and I was in error when I said a decision had been handed down. The case, in fact, is going to be heard in January. I am now informed that no matter what the compensation is, if the board of transport commissioners should be overruled then the New

York Central by virtue of clause 1 is obligated and prepared to pay any claim for compensation.

Mr. McIvor: Mr. Chairman, I was a member of this committee and I am very proud of that committee. I appreciate the courtesy that has always been extended to me by the chairman of the committee, the hon. member for Peterborough. In this committee I asked if the officials of this branch line were willing to co-operate and I was advised that they are most anxious to co-operate. Then I stated that according to clause 1 the New York Central will meet all obligations. The committee did not take much time in dealing with this bill as it was not necessary because everybody who has a legitimate claim against this company is protected. I think the chairman of this committee did a splendid job.

Mr. Benidickson: Mr. Chairman, you had reason to recognize others who have spoken with respect to this bill since the hon. member for Carleton had some remarks to make about what I had to say on a point of order. I wonder if my successor as parliamentary assistant to the Minister of Finance thinks it is likely or indeed proper that he should sponsor private bills in that role. That was the point I raised and I did not intend to cast aspersion against him.

Mr. Bell (Carleton): Mr. Chairman, on a question of privilege—

The Acting Chairman (Mr. Rea): I would advise hon. members that this has nothing to do with this bill respecting the Ottawa and New York Railway Company.

Mr. Bell (Carleton): Mr. Chairman, I rise on a question of personal privilege. The hon. member has put a statement on the record that leaves an inference. I want to say to this committee that it has already been suggested to me on more than three occasions that I should sponsor private bills. I have declined to do so and will continue to decline to do so.

Mr. Benidickson: Mr. Chairman, also on a question of privilege, may I say that I have great admiration for the hon. member for Carleton. I had no desire to cast any aspersion. I was simply endeavouring to secure information so the committee would know the future policy.

May I also point out that I opened my remarks on this subject when the leader of the house was in the committee. He was not here at the time I concluded my remarks and therefore I was not able to ask him as I intended to do whether or not he approved of a policy of parliamentary assistants sponsoring bills of this type in the house in the future.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

CANADIAN WHEAT BOARD ACT

AMENDMENT TO BRING FLAX AND RYE UNDER JURISDICTION OF BOARD

The house resumed, from Tuesday, November 5, consideration of the motion of Mr. McCullough for the second reading of Bill No. 10, to amend the Canadian Wheat Board Act.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker,—

Mr. Churchill: Are you closing the debate?

Mr. Speaker: I must inform the house that if the hon. member speaks now he will close the debate.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, this bill which is now before us for second reading came before the house on October 25, and was introduced by the hon. member for Moose Mountain. It is Bill No. 10, entitled, "An Act to amend the Canadian Wheat Board Act (flax and rye)". The explanatory note says:

> 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.

This is a subject, Mr. Speaker, which has been before the House of Commons on other occasions and was before the house last year. I notice that in the introduction of the bill on October 25 the mover gave a comprehensive statement with regard to the question of orderly marketing, and the desire of the farmers of western Canada for that practice. He praised the work of the wheat board and indicated the problems confronting the farmer with regard to the subject matter of his bill, namely flax and rye.

In the course of his remarks he showed how the price trends have varied with regard to these two products, and introduced a graph indicating the prices over a period of years. Then he showed how the acreage has fluctuated for these two grains. With regard to flax, within the last 10 years or so the acreage has doubled. I am not sure whether he indicated that with regard to rye

the acreage has been correspondingly reduced. The acreage for rye is about one-fifth of what it was 10 years ago.

I notice that these two crops in seeded acreage are about one-tenth of the great crops of western Canada, wheat, oats and barley, which are under the wheat board at the present time. There are other seeded crops which the hon. member who has introduced this bill might at some time or other also wish to bring under the wheat board. However, he has concentrated his attention at the present time on these two and has indicated that there is a considerable demand among the farmers of western Canada for the bringing of flax and rye under the wheat board.

However, I notice that in supporting his argument—and I quote now from page 438 of *Hansard*—he indicated to the house the extent of the interest of the western farmer by these words:

> 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.

When I heard that, as I listened to the debates and when I read it again I wondered whether the hon. member could be a little more exact in his argument here in order that the argument might be stronger than it appears at the moment. He says that he wrote to every municipality. Well, we accept that. Then, he goes on to say: "The replies I received". He does not indicate whether he had two replies or 100 replies, or whether he heard from every municipality to which he wrote. He says that the replies were practically unanimous, which means that some were opposed. In any case, to whom were these questions addressed? He says he wrote to every municipality. Were they addressed to the secretaries of the municipalities? Did the questions come before the reeve and the councillors and who gave the reply? Did the reply come by way of an indication from the reeve and the council? Were the replies the personal opinions of the secretary-treasurers of the municipalities? Were the actual farmers approached in the matter? I thought that in the course of a very able speech the hon. member for Moose Mountain might have been somewhat more exact with regard to that particular matter if he wished us to accept it as a strong argument in favour of bringing flax and rye under the wheat board.

Now, I do not question for one minute the importance of this subject. But during the course of the summer two presentations were made to the cabinet, one of which was made by the Canadian Federation of Agriculture on July 31, 1957. I have read this through with care on more than one occasion and, unless my memory is failing me at the moment, I do not recall that the subject matter of flax and rye formed part of that submission of the Canadian Federation of Agriculture. If it is as important to the farmers of western Canada as the hon. member for Moose Mountain suggests to us I would have thought that in the submission made to us by the Canadian Federation of Agriculture some mention would have been made of these two grains. They did deal with the subject of grain and they did deal with the question of wheat, and so on, but I do not see flax and rye mentioned.

Mr. McCullough: May I ask the minister a question?

Mr. Churchill: Yes.

Mr. McCullough: I have in my hand the annual presentation of policy by the Canadian Federation of Agriculture entitled "Farmers Meet the Cabinet", dated February 14, 1956. I should like to direct the minister's attention to the following on page 8:

> As it has 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 increased price stability that board marketing provides.

Mr. Churchill: Mr. Speaker, that is interesting information but it is 18 months ago. I was quoting from something that is fresh and recent, July 31, 1957.

Mr. Bryce: They still think the same.

Mr. Churchill: There is a new government in office and the farmers of western Canada presented their suggestions to us in a very able manner. During the course of the summer the interprovincial farm union council appeared before the cabinet. They made their presentation on August 15, 1957, and again I doubt very much if any mention was made of flax and rye in that submission. I am not questioning the importance of the matter which the hon. member has raised but I wonder why flax and rye were not brought to our attention in these two submissions from the organized farmers of Canada. Is it that there is a difference of opinion within the farm organizations or is it not as important to them as it appears to the hon. member? I simply draw that to his attention as an instance of the value of having the farm opinion of the country behind any argument presented in this house in relation to a bill of this nature.

Mr. McCullough: Would the minister permit one more question? Has the minister taken the opportunity to telephone the

Canadian Federation of Agriculture office in this city to determine whether or not they still support this position?

Mr. Churchill: I would be quite prepared to telephone the organization on any occasion, but I would think the hon. member would do that and bring us up to date on these matters. It is hardly an obligation of mine to find out whether or not his statements in the house are backed by these organizations. Surely that is up to him. The general position with regard to flax and rye has been set out by those sponsoring the bill, and I have no quarrel with that at all. The situation is very clear. There has been a sharp fluctuation in the price of these grains and in the acreage seeded. Flax is a temperamental crop and it may well be that for reasons such as that and the size of the crops of flax and rye compared with the size of the crops of wheat, oats and barley there has not been the same intensive desire on the part of the farming community for the wheat board to undertake the marketing of these two grains, or on the part of the board itself.

I understand clearly that it was done in the past. I am not saying that it should not be done now but I do suggest that a much stronger case will have to be made out by the hon. member at this time. Much as we like to accept suggestions from those on the opposition side of the house—many of the suggestions are constructive and remind me of ones I used to make when I sat over there—

An hon. Member: How about accepting one for a change?

Mr. Churchill: —nevertheless very few of my suggestions were accepted when I was on the opposition side. I thought it was regrettable at the time. However, I am open to suggestions from members in the opposition at the present time and if their suggestions are backed up by sound argument and good support across the country naturally they will receive very serious consideration.

But let us face the facts as they are at the present time. We have a surplus situation with regard to wheat, oats and barley. We think that the time of the Canadian wheat board is rather fully employed in attempting to deal with the problems involving these grains and whether or not the wheat board would like to take on flax and rye in addition I do not know. I have not had the opportunity yet to find out. Perhaps the hon. member has consulted the wheat board in regard to the matter. But the elevator system is filled now with wheat, oats and barley and the wheat board has quite a bit to do and is successfully achieving its purpose in disposing of these grains.

I think the operation of the wheat board is impressive. It has been pursuing a policy calculated to move our grain into international channels of trade. This fall the government, recognizing the fact that deliveries would be slow, introduced a cash advance system so that farmers who are unable to deliver their grain would at least have some money to tide them over the intervening period. My hon. friends have been pressing me for statements of policy with regard to wheat marketing and things of that nature. I have answered a great many questions in the house concerning that, but actions speak louder than words and I think the policy of the government is quite clear.

If we are successful with our policy for the disposal of our surplus wheat, as I think we will be, it may well be that we could then recommend to the wheat board that flax and rye be marketed through their channels but that would only be done if farmers generally in western Canada favoured that method of marketing those grains. We have a surplus of 700 million bushels of wheat and a crop this year of approximately 350 million bushels. We anticipate that 300 million bushels will be sold in the export trade and that 150 million bushels will be consumed within the country for flour, feed and seed so that at least 100 million bushels of our surplus will be moved into trade channels and out of the country. That is at least an improvement and our hope is that with increased offers for the purchase of Canadian wheat we may exceed our objective of 300 million bushels.

The general international wheat picture is that large surpluses are being held by the United States and by Canada. The Argentine has some. Australia, with a short crop, is now in a position where she would like to have some Canadian wheat and we are quite prepared to sell to Australia. Various countries of the world have been looking at Canada's wheat surplus with interest and our cash customers are being maintained quite successfully.

England, which on the average takes 100 million bushels of Canadian wheat, will I think take about that quantity during the course of this crop year. Germany and Japan are next in order. Other countries in Europe such as Switzerland, Holland and Belgium want Canadian wheat. I have mentioned before that I visited the United Kingdom and Europe and those countries in September with representatives of the wheat board and met 200 people actively engaged in the grain trade. I received reports from them as to the situation.

One thing about which they wanted assurance was stability in wheat marketing. They

hoped that Canada would not engage in a price war with regard to wheat. They assured me, without being questioned about the matter, that the top grades of Canadian wheat are at a premium and are not matched by other wheat in the world that is in a marketable position. It was indicated that they will continue to use these top grades. There was very little question about the actual price, but there was much uneasiness concerning the fluctuations of ocean freight rates which, more than price, affected the movement of grain. I feel, therefore, Canada's trading position with regard to wheat is not unsatisfactory and, with other countries than our cash customers I have mentioned putting forward inquiries to Canada with regard to the sale of our wheat, the position is encouraging.

Now some of my friends have suggested, from time to time, that if we could dispose of some of our wheat after the fashion of the United States disposal program it might be very helpful. The only part of the United States disposal program—

Mr. McCullough: On a point of order; I appreciate very much the minister's words concerning our wheat position and our export sales and so forth, but I think at this time this parliament would be more concerned with the government's attitude towards this bill which confines itself to rye and flax, and bringing them under the Canadian wheat board.

Mr. Speaker: I think the hon. member is correct, and the minister was departing somewhat from the subject under discussion.

Mr. Churchill: I was following the example of the hon. member who introduced this bill. I find that he discussed quite a number of problems with regard to the Canadian wheat board that did not deal directly with flax or rye.

Mr. Olson: Would the minister permit a question? The minister just mentioned that he considered our trade position with regard to wheat satisfactory. Earlier today the minister stated that there was a decline in wheat and flour sold last year. What does he mean by "satisfactory"?

Mr. Churchill: The report I gave earlier today, of course, referred to the entire year and to date over that period there had been a decline in the sale of our wheat and flour. However, things are improving very rapidly and that is what I was referring to now.

I regret, Mr. Speaker, that the hon. member who introduced this bill is not as concerned as the rest of us with regard to Canada's general trading position with regard to wheat.

Mr. Knowles (Winnipeg North Centre): Come, come.

Mr. Churchill: If we are able to dispose of these surpluses about which we have talked, then one of the arguments that have been advanced against including flax and rye under the wheat board, namely that storage facilities were filled to the limit, would not then be of the same consequence. I was endeavouring to point out that we were moving along towards the position where we might have storage facilities available. Then, my hon. friend would be able, with greater success, to advocate bringing flax and rye under the Canadian wheat board. He would be able to say, now you have storage facilities. In years gone by, when the argument was put up that flax and rye should be brought under the wheat board, it was stated that that could not be done because of the lack of storage facilities. If the surplus were moved there would be storage facilities available and the hon. member could say that the board could deal with flax and rye.

However, if my hon. friend is not interested in the export trade—he used the phrases, Mr. Speaker—

Mr. McCullough: On a point of order; it is not that I am not interested in the export sale of wheat. I should like to ask the minister a question at this time. Is it not true that the producers of flax and rye are under a quota during the present crop season? They are restricted in their deliveries, so it is not a question of congestion in the elevators or any place else, it is one of policy. The producer now has not been able to deliver during the early part of the crop year because the government, or the Canadian wheat board, has seen fit to put flax under a quota.

Mr. Churchill: I did not understand the first part of the hon. member's question because of a little unusual noise here.

Mr. Bell (Saint John-Albert): Six o'clock.

Mr. Knowles (Winnipeg North Centre): Because the minister has his eye on the clock.

Mr. Churchill: There are so many clocks here it is a little confusing. Some say six, and some do not. If the hon. member would care to repeat the first part of his question, I would answer it.

Mr. Speaker: Order. It being six o'clock, the house will revert to the business which was interrupted at five o'clock. Perhaps the minister would take the question as notice.

Supply—Finance

SUPPLY

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

The Acting Chairman (Mr. Rea): It being six o'clock, I do leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

DEPARTMENT OF FINANCE

General administration—

119. Departmental administration, $2,157,871.

Hon. Donald M. Fleming (Minister of Finance): Mr. Chairman, the Department of Finance estimates as printed in the blue book show an increase in the amount to be voted this year over last year of just over $10 million. If the details are examined, however, it will be seen that more than all this increase is covered by two kinds of grants—grants to municipalities in lieu of taxes and grants to universities. Apart from these two sets of grants we are asking parliament to vote slightly less money than was required a year ago for the administration of this department.

I should, however, in this opening statement take into consideration not only the main estimates but also the supplementaries of both years. The principal large item in this year's supplementaries is $32 million for the general salaries vote. This is more than offset however by the $50 million special vote to the superannuation account which was appropriated in last year's final supplementaries. Taking this year's main estimates and supplementaries and comparing them with last year's main estimates and supplementaries, I am asking parliament to vote the Department of Finance about $9 million less than a year ago.

While parliament is not called upon to vote the statutory items I should like to refer to them. In the Department of Finance statutory items constitute more than 95 per cent of total expenditures. In the printed record these items add up to almost $1,100 million and show an increase of $154 million over last year. Of this $154 million increase, $128 million was in increased transfer payments to the provincial governments. After the book of estimates was printed the province of Ontario decided to levy and collect its own corporation income tax. This is the principal reason why our transfer payments to the provincial governments will be $10 million less rather than $128 million more than a year ago. In total, I expect the statutory expenditures relating to the Department of Finance to be not much more than $40 million over last year and this will be wholly due to the higher cost of the public debt.

Hon. members will not be surprised if I say that the Department of Finance, which is not a large operating department, is usually able to estimate its administration expenses quite accurately and that it does not provide much place for operating economies. I shall, however, be able to move a small reduction in vote 121 when we reach that item.

Mr. Chairman, I have been asked several times in the house to give a financial statement. I welcome this opportunity of doing so and not least of all because of some of the things that are currently being said outside this house. *The Globe and Mail* of December 5 contains a news article from which I read the following:

> London, Ontario, December 4—Unless the Conservatives make drastic cuts in expenditures the government will end up with a deficit by the end of the fiscal year next March, former finance minister Walter Harris, predicted here today.

We shall see shortly.

The Toronto *Telegram* of December 5 ascribes to the hon. member for Winnipeg North Centre a statement made, I believe, in the city of Hamilton the previous night. The article says he accused the government of "hiding the books from parliament until after the next election." I doubt if any of the members of the audience who heard the hon. member make that statement, if he did make it, would be so gullible as to believe it. There will be an opportunity of judging shortly whether that is a responsible or an irresponsible statement.

I would like to make this comment in advance of giving to the house the details of the financial statement. When this government came into office on the 21st day of June the fiscal year was already three months advanced. The programs for the year had largely been undertaken; expenditures and commitments had been entered into. We entered upon our tasks while the government was already in midstream and that fact I think should be borne in mind as we weigh and assess what the government has been able to do.

My predecessor, in presenting the budget for the current fiscal year last March, forecast revenues of $5,170 million; expenditures of $5,018 million and a surplus of $152 million. We have now reasonably complete figures for eight months of the year and thus are able to make revised estimates which

reflect both the changes in economic development and changes in government policies.

On the revenue side of the accounts I am prepared to accept the forecast which was presented to the house last March. At present it seems probable that receipts from income taxes will be somewhat above the forecast and revenues from customs duties and some commodity taxes will be somewhat below the earlier anticipations, but, on balance, I expect that the various increases and decreases will just about cancel each other out, leaving the total revenue figure unchanged at $5,170 million.

On the expenditures side of the accounts my predecessor had forecast a total of $5,018 million. Since then there have been substantial increases in expenditure arising in part out of changing economic developments and in part from new policies which we have recommended and which parliament has approved. For example, we are having to find an additional $25 million for interest and other charges on the public debt as a result of the sharp increase in interest rates which occurred during the spring and summer months. Then I am advised by the management of Canadian National Railways that reduction in the volume of rail traffic and higher costs of operation will mean that we shall have to meet a deficit in the railway's operation of about $28 million.

On the policy side, hon. members will recall that increases in public service salaries and in the defence services pay and allowances have been approved in an amount which will total about $100 million for the 11 months of the fiscal year commencing May 1, including statutory matching payments into the superannuation account. The increase in old age pensions is responsible for most of the increased deficit in the old age security fund of $50 million. Increases in our contributions to old age assistance and to the blind and disabled persons allowances will cost the federal treasury an additional $1 million this year. Increases in veterans benefits will add a further $3 million to this year's expenditures, and the recent agreement with the provinces to eliminate the "threshold" on unemployment assistance will also cost us $3 million in this fiscal year. All these increases add up to $210 million.

Against this large increase in expenditures we have been able to make substantial savings. While the increases in civil service and defence services pay and allowances will cost $100 million the departments have found it possible, by general economies, to absorb part of this increase and, in fact, only $76 million will be added to this year's expenditures out of the total of $210 million.

In addressing ourselves to the task of eliminating unnecessary expenditure we have been guided by two principles: first that there shall be no reduction in any essential public service and, second, that where items involve construction which means employment, those items are not being reduced. Furthermore, by careful scrutiny and by controlling certain expenditure programs my colleagues have been able to indicate various reductions and savings in estimated expenditure which will add up to almost exactly $40 million. In addition my colleagues have been able to curtail certain loans and advances in the amount of about $6 million.

Finally, I do not propose to adopt the practice of my predecessor to transfer large lump sums of $50 million each into what he called "the reserve against assets" and to reduce the unamortized deficit in the superannuation account. I consider it quite unnecessary to do so.

These savings and reductions in expenditures add up to the very substantial total of $164 million, leaving me with an expected expenditure of $5,064 million and an expected surplus in this fiscal year of $106 million. For the convenience of hon. members and with consent I should like to insert here a table showing the various increases and decreases in expenditure to which I have referred.

The Acting Chairman (Mr. Rea): Has the Minister of Finance permission to insert this table?

Some hon. Members: Agreed.

Mr. Fleming: The table is as follows:

Forecast of Expenditures, 1957-58
(In millions of dollars)

Expenditures as forecast in March, 1957		$5,018
Add:		
Increase in debt charges	$ 25	
Expected deficit, C.N.R.	28	
Increases in pay and allowances	100	
Increases in old age security fund deficit	50	
Increase in contributions toward old age assistance and blind and disabled persons allowances	1	
Increase in veterans' benefits	3	
Increase in unemployment assistance	3	
Total Increases	$210	
Deduct:		
Savings and reductions	$ 64	
Provision for general asset reserve	50	
Provision for reduction in unamortized portion of the deficit in the superannuation account	50	
Total deductions	$164	
Net increase in expenditure		46
Total expenditures, 1957-58		$5,064

I have also been asked at different times as to what is the government's financial program. I should now like to indicate the intentions of the government in the matter of financial and fiscal changes which will be submitted to the house in due course for legislative action.

This, as hon. members do not need to be reminded, is not an ordinary or regular session. It is a session called in the fall of the year under circumstances that limited the duration of the session. Its purposes, as the Leader of the Opposition well indicated a few days ago were, first, to vote the approximately 800 items of supply which had not been voted at the time of dissolution and, second, to afford the government an opportunity of laying before parliament for action this fall that constructive program of legislative action which the electorate of Canada had approved on June 10.

One of the undertakings given to the Canadian people in that campaign by that distinguished man who is today the Prime Minister of Canada was that we would reduce taxes. I am not proposing now nor do I intend to propose at any time in this session any increases of any kind in taxation. That made it quite unnecessary to submit to the house anything resembling a budget. The budget for this year was submitted to the house last spring by the then minister of finance. There will be ample opportunity for every member of the house to express whatever opinions he chooses on any of the matters upon which I am now about to indicate the intentions of the government.

May I in passing point out, Mr. Chairman, that it has been quite impossible in the short space of time the government has been in office to take up those matters which the Minister of Finance normally reviews in preparing a budget. There has been no time in which to deal with the wide range of fiscal matters that come to the Minister of Finance apart from those that relate directly to taxation about which I shall shortly have something to say. But I wish to make it abundantly clear that never have I said that there would be that kind of budget presentation which is characteristic of a normal session of parliament. I have said that we would submit to the house such measures as are required to implement the undertakings which we gave to the public in the campaign; and that, Mr. Chairman, is precisely what we shall do.

There are several matters to which reference must be made which require some remedial legislative action. The bill which I hope to introduce will include a change in the corporate tax structure which will be, I trust, of benefit to certain small corporations.

But I wish, first of all, to deal with a specific matter affecting construction workers. This is a matter which requires an amendment to the Income Tax Act before the end of this calendar year. It is the matter of certain allowances paid to construction workers by their employers to cover expenses of the worker while he is living away from his normal place of residence for a period of time at a construction site. Hon. members will recall that this problem first was brought to public attention by the publication by the Department of National Revenue of a directive entitled "Information Bulletin No. 10" on July 10, 1956. This directive announced that construction workers must thereafter include for tax purposes certain per diem and other allowances received from their employer, whether paid in cash or in the form of free board and lodging. This matter was debated at some length this spring when income tax amendments were under consideration. Some of us then in opposition protested strongly against the effect of this directive, and finally the then minister of finance stated that the rule contained in Bulletin No. 10 would not apply to incomes in 1956 but that the allowance would be taxed commencing in 1957.

For many years it has been the practice for employers in the construction industry to provide board and lodging for workers at remote sites or to pay them an allowance over and above the going wage as reimbursement for expenses of meals and lodging where those were paid for by the worker himself. It is also customary for the construction employer to bear the expense of transporting employees to distant construction sites and bringing them back to their normal place of residence. Throughout the years this has been normal procedure in this industry, and the construction workers did not include in their income for tax purposes the value of these allowances or expenses paid on their behalf by their employer. Then with the issuance of Bulletin No. 10 in 1956 the previous government made it known that these amounts were taxable under the existing law and employers had been under instruction in 1957 to report those allowances as income of their employees.

It is my intention, Mr. Chairman, to restore the practice which prevailed prior to 1957. In order to put this matter beyond doubt I intend to introduce an appropriate amendment to the Income Tax Act effective from January 1, 1957. This amendment, which is necessarily somewhat technical, will appear in detail in the bill. Briefly it will provide that

if the construction site is so distant that the worker cannot reasonably be expected to return daily to his normal place of residence where he maintains a home in which he lives with his wife or some dependent person, then the construction employee will not be required to include in his income for tax purposes the value of the free board and lodging or reasonable allowances paid to him to cover expenses of meals and lodging, or the value of travelling expenses paid by the employer in transporting him to the site and back home again.

The next matter concerns the corporation tax to be paid by certain corporations earning profits in the province of Ontario. In a normal session a bill to give tax relief measures would be the occasion for dealing with a wide variety of miscellaneous technical changes in the income tax structure. This general review of miscellaneous changes in the law will be undertaken in the course of preparation of the budget for the next session. However, I give public notice now of one particular matter which will be the subject of corrective legislation at the next session.

Under the provisions of section 40 of the Income Tax Act, federal corporation income tax is reduced by nine percentage points on profits earned in a "prescribed" province: that is, in a province that does not rent this tax field to the federal government pursuant to the Federal-Provincial Tax-Sharing Agreements Act. This tax abatement enables a province to impose its own tax up to this nine per cent level without raising the combined tax above the general federal rate.

In the five-year period prior to 1957 the federal tax abatement was only seven percentage points and Quebec was the only province imposing its own corporate tax of seven per cent. For 1957 Ontario became a prescribed province and profits earned in the province from January 1, 1957 onward accordingly became entitled to a reduction of nine percentage points in their federal tax. Inadvertently, however, the law introduced by the former government in granting this reduction for 1957 gave also to Ontario companies whose fiscal year does not coincide with the calendar year abatement in respect of that portion of their profits earned in 1956. This pattern of reduction was, of course, appropriate and necessary for profits in Quebec since Quebec was taxing profits in 1956. The result of this fault in the federal legislation is, however, that relief is given at the rate of seven percentage points for corporations earning profits in Ontario for a period when no Ontario tax was imposed at all. Obviously this error must be corrected, otherwise about $12 mililon of unintended tax relief would go to a particular group of non-calendar year companies earning profits in the province of Ontario at a time when no provincial tax was imposed upon them.

I have already reminded the committee that this government promised if elected to power to reduce taxes. It is our purpose, sir, scrupulously to fulfil this promise. I do not need to tell hon. members that it is one of the more pleasant duties of the Minister of Finance to come before the house and announce some reduction in the heavy burden of taxes that previous governments have imposed on the people of Canada.

The bill which I shall introduce will include a change in the corporate tax structure which would be particularly important for small corporations. At present the low tax rate of 20 per cent is confined to profits up to $20,000 per annum. In future, from January 1 onward, the low tax rate will extend up to profits of $25,000. Of course, every corporation with profits in excess of this figure will enjoy some benefit from this tax concession but the change will be of greatest significance to relatively small corporations. About 2,000 corporations with profits between $20,000 and $25,000 will have the tax on profits within this range reduced from 47 per cent to 20 per cent. This relief measure will cost the treasury about $12 million on a full year basis and about $1 million in the current fiscal year and I believe it will give a stimulus and incentive to business in small corporations.

Mr. Chairman, I wish to table at this point for the convenience of hon. members the table indicating the effect of increasing the bracket of corporation income tax.

The Acting Chairman (Mr. Rea): Does the hon. minister wish to put it in *Hansard?*

Mr. Fleming: Yes.

The Acting Chairman (Mr. Rea): Is this agreeable to hon. members of the committee?

Some hon. Members: Agreed.

Mr. Fleming: The table is as follows:

Effect of increasing the bracket of corporation income subject to the 20% tax rate from $20,000 to $25,000

Income of corporation	Present tax	Proposed tax	Reduction in tax	
$	$	$	$	%
25,000	6,350	5,000	1,350	21.3
30,000	8,700	7,350	1,350	15.5
35,000	11,050	9,700	1,350	12.2
40,000	13,400	12,050	1,350	10.1
50,000	18,100	16,750	1,350	7.5
75,000	29,850	28,500	1,350	4.5
100,000	41,600	40,250	1,350	3.2
200,000	88,600	87,250	1,350	1.5
300,000	135,600	134,250	1,350	1.0
500,000	229,600	228,250	1,350	.6
1,000,000	464,600	463,250	1,350	.3

The old age security tax of 2 per cent is included in the taxes shown above.

I also have something to say concerning the Excise Tax Act. Under that act the special excise tax on automobiles is now 10 per cent. I intend to introduce an amending bill to reduce this tax to 7½ per cent. This reduction which is equivalent to 25 per cent of the tax will be effective as from midnight and it is estimated to cost the treasury about $20 million on a full-year basis and approximately $8 million for the balance of the current fiscal year.

As recently announced by my colleague the Minister of National Revenue on December 2 a refund will be given to authorized dealers and distributors in respect of tax already paid on floor stocks of new cars on hand. This will relieve them of any loss resulting from the tax decrease, and spare them a repetition of the heavy losses that they sustained the last time this tax was reduced. The government has received assurances given on behalf of all automobile manufacturers that the benefit of this reduction will immediately appear in the manufacturers' wholesale prices and suggested retail prices. The government will expect this tax reduction to be reflected at once in the price of new cars to the public.

I now have a word to say concerning personal income tax. The first measure of relief I intend to propose to personal income taxpayers is an increase of $100 in the allowance for dependents under the Income Tax Act. This means that commencing January 1, 1958, the deduction from income for children of family allowance age will be increased from $150 to $250 per annum. For all other dependents the present $400 deduction will be raised to $500. Basic personal and marital exemptions remain unchanged.

In addition to giving much deserved relief to taxpayers with dependent children and other dependents this increase in the deduction will have the effect of freeing completely from income tax about 100,000 taxpayers and will give substantial tax relief to about one and three-quarter million other taxpayers. For a full year this measure of relief will cost the treasury about $60 million. For the current fiscal year the cost in revenue loss will be about $7 million.

The second measure of tax relief for personal income taxpayers which I shall propose will, as from January 1, 1958 reduce tax rates in the first two brackets of income in the rate structure. On the first $1,000 of taxable income the present rate of 13 per cent will be reduced to 11 per cent. The 15 per cent rate on the second $1,000 of taxable income will be reduced by one point to 14 per cent. These changes in the rate structure will benefit every income taxpayer in Canada, of whom there are approximately four and one-half million persons.

There are, however, about 3 million taxpayers, or about 70 per cent of the total, who have taxable incomes—that is to say, income after exemptions—of not more than $2,000. Thus, 70 per cent of all income taxpayers affected particularly by these rate changes will enjoy a substantial percentage reduction in their income tax, just over 15 per cent in the case of taxpayers in the first $1,000 bracket and about 11 per cent in the case of those in the second $1,000 bracket. This reduction—

The Acting Chairman (Mr. Rea): I am sorry to inform the Minister of Finance that his time has expired.

Some hon. Members: No.

The Acting Chairman (Mr. Rea): Has he permission of the committee to proceed?

Some hon. Members: Agreed.

Mr. Fleming: I thank the committee for extending that courtesy to me.

Mr. Sinclair: Mr. Chairman,—

The Acting Chairman (Mr. Rea): Order.

Mr. Sinclair: —I would point out that the Minister of Finance chose this way to present his budget address in this committee of the whole and the rules of the house and constitutional practice apply equally to himself and they provide that a member can speak for only 30 minutes in committee.

Mr. Nowlan: That is quite right.

The Acting Chairman (Mr. Rea): Order. When I asked for unanimous consent I did not hear any noes and in my opinion the committee gave unanimous consent.

Mr. Coldwell: I think the committee will give consent. What the hon. member said is perfectly correct. The minister told us that he would abide by the rules of the house. Had the minister introduced this matter in the way it should have been introduced there would be no discussion of this sort. I am not objecting, but I want to remind him that this is contravening the rules of the house.

Mr. Sinclair: That is exactly the position of the official opposition. I want to remind the minister that if he had followed the constitutional practice of doing this on a ways and means resolution he would have had unlimited time and I would have had

unlimited time; but with the consent of the official opposition and of the other parties the hon. member may proceed.

Mr. Fleming: Mr. Chairman, I thank the committee for the courtesy that has been extended to me and I would ask the committee to extend a similar courtesy to the hon. member for Coast-Capilano if he should require it. I hoped, Mr. Chairman, I can assure my hon. friend, to have completed my remarks within the space of 30 minutes. I shall be very brief now in coming to a conclusion.

This reduction will amount in a full year to $86 million, and, together with the increase in allowances for dependants, which I have mentioned, will mean that the personal income tax will be cut by a total of $146 million and, as I have said, 100,000 taxpayers will be freed entirely from the necessity of paying income tax.

May I, Mr. Chairman, for the information of hon. members place on *Hansard* at this point six tables which will illustrate the effect of the various decreases on personal income taxpayers of various income brackets.

The Acting Chairman (Mr. Rea): Has the minister permission to put these tables on *Hansard?*

Some hon. Members: Agreed.

Mr. Fleming: The tables follow:

Effect of Proposed Personal Income Tax Changes
Married taxpayer with two dependents not qualified for family allowances

Income	Tax at present rates	Tax at new rates	Reduction in tax	
$	$	$	$	%
3,000	13	—	13	100
3,200	39	11	28	72
3,500	78	44	34	44
4,000	145	99	46	32
5,000	297	236	61	21
7,500	740	670	70	9
10,000	1,284	1,206	78	6
15,000	2,758	2,657	101	4
20,000	4,763	4,647	116	2
30,000	9,168	9,042	126	1
50,000	19,807	19,663	144	.7

The old age security tax of 2 per cent of taxable income (maximum tax $60) is payable in addition to the taxes shown above.

In calculating the above taxes it has been assumed that everyone takes the optional standard deduction of $100 in lieu of claiming deductions for charitable donations, unusual medical expenses and union dues.

In calculating the above taxes it has also been assumed that where incomes are in excess of $30,000 that part of income which is in excess of $30,000 is subject to the 4 per cent investment surtax.

Effect of Proposed Personal Income Tax Changes
Married taxpayer with two dependent children qualified for family allowances and two dependents not qualified for family allowances

Income	Tax at present rates	Tax at new rates	Reduction in tax	
$	$	$	$	%
3,300	13	—	13	100
3.500	39	—	39	100
3.700	65	11	54	83
4.000	104	44	60	58
5.000	250	166	84	34
7.500	680	573	107	16
10,000	1,212	1,086	126	10
15,000	2,654	2,492	162	6
20,000	4,634	4,432	202	4
30,000	9,024	8,802	222	2
50,000	19,636	19,378	258	1

The old age security tax of 2 per cent of taxable income (maximum tax $60) is payable in addition to the taxes shown above.

In calculating the above taxes it has been assumed that everyone takes the optional standard deduction of $100 in lieu of claiming deductions for charitable donations, unusual medical expenses and union dues.

In calculating the above taxes it has also been assumed that where incomes are in excess of $30,000 that part of income which is in excess of $30,000 is subject to the 4 per cent investment surtax.

Effect of Proposed Personal Income Tax Changes
Single taxpayer

Income	Tax at present rates	Tax at new rates	Reduction in tax	
$	$	$	$	%
1.500	52	44	8	15
2,000	117	99	18	15
2,500	190	166	24	13
3,000	265	236	29	11
3,500	348	318	30	9
4,000	433	403	30	7
5,000	603	573	30	5
7,500	1,116	1,086	30	3
10,000	1,752	1,722	30	2
15,000	3,442	3,412	30	1
20,000	5,537	5,507	30	.5
30,000	10,032	10,002	30	.3
50,000	20,781	20,751	30	.1

The old age security tax of 2 per cent of taxable income (maximum tax $60) is payable in addition to the taxes shown above.

In calculating the above taxes it has been assumed that everyone takes the optional standard deduction of $100 in lieu of claiming deductions for charitable donations, unusual medical expenses and union dues.

In calculating the above taxes it has also been assumed that where incomes are in excess of $30,000 that part of income which is in excess of $30,000 is subject to the 4 per cent investment surtax.

Effect of Proposed Personal Income Tax Changes
Married taxpayer with no dependents

Income	Tax at present rates	Tax at new rates	Reduction in tax	
$	$	$	$	%
2,500	52	44	8	15
3,000	117	99	18	15
3,500	190	166	24	13
4,000	265	236	29	11
5,000	433	403	30	7
7,500	900	870	30	3
10,000	1,476	1,446	30	2
15,000	3,062	3,032	30	1
20,000	5,107	5,077	30	.6
30,000	9,552	9,522	30	.3
50,000	20,251	20,221	30	.1

The old age security tax of 2 per cent of taxable income (maximum tax $60) is payable in addition to the taxes shown above.

In calculating the above taxes it has been assumed that everyone takes the optional standard deduction of $100 in lieu of claiming deductions for charitable donations, unusual medical expenses and union dues.

In calculating the above taxes it has also been assumed that where incomes are in excess of $30,000 that part of income which is in excess of $30,000 is subject to the 4 per cent investment surtax.

Effect of Proposed Personal Income Tax Changes
Married taxpayer with two dependent children qualified for family allowances

Income	Tax at present rates	Tax at new rates	Reduction in tax	
$	$	$	$	%
2,600	26	—	26	100
2,800	52	22	30	58
3,000	78	44	34	44
3,500	145	99	46	32
4,000	220	166	54	25
5,000	382	318	64	17
7,500	840	770	70	8
10,000	1,404	1,326	78	6
15,000	2,948	2,842	106	4
20,000	4,978	4,862	116	2
30,000	9,408	9,282	126	1
50,000	20,092	19,948	144	.7

The old age security tax of 2 per cent of taxable income (maximum tax $60) is payable in addition to the taxes shown above.

In calculating the above taxes it has been assumed that everyone takes the optional standard deduction of $100 in lieu of claiming deductions for charitable donations, unusual medical expenses and union dues.

In calculating the above taxes it has also been assumed that where incomes are in excess of $30,000 that part of income which is in excess of $30,000 is subject to the 4 per cent investment surtax.

Effect of Proposed Personal Income Tax Changes
Married taxpayer with four dependent children qualified for family allowances

Income	Tax at present rates	Tax at new rates	Reduction in tax	
$	$	$	$	%
2,800	13	—	13	100
3,000	39	—	39	100
3,200	65	11	54	83
3,500	104	44	60	58
4,000	175	99	76	43
5,000	331	236	95	29
7,500	780	670	110	14
10,000	1,332	1,206	126	9
15,000	2,834	2,657	177	6
20,000	4,849	4,647	202	4
30,000	9,264	9,042	222	2
50,000	19,921	19,663	258	1

[Mr. Fleming.]

The old age security tax of 2 per cent of taxable income (maximum tax $60) is payable in addition to the taxes shown above.

In calculating the above taxes it has been assumed that everyone takes the optional standard deduction of $100 in lieu of claiming deductions for charitable donations, unusual medical expenses and union dues.

In calculating the above taxes it has also been assumed that where incomes are in excess of $30,000 that part of income which is in excess of $30,000 is subject to the 4 per cent investment surtax.

I have a word to say on the subject of estate tax. I intend forthwith to place on the order paper a resolution to permit the introduction of a new measure to repeal the Succession Duty Act and to replace it with a new estate tax act. The measure will apply the estate tax principle rather than the inheritance or succession principle. In keeping with the policy of the government it will be another tax reduction measure. It will also greatly simplify the taxation of estates. I shall reserve extended comments until I move the resolution in due course.

For the present I point out that in every tax bracket the tax payable under the new law will be less than under the present Succession Duty Act. All estates will be fully exempted up to a minimum of $50,000. No estate of lower aggregate value will pay any estate tax whatever. In the case of an estate passing to a widow there will be an exemption of $60,000 plus $10,000 for each child under 21 years of age. Thus, if a husband dies leaving a widow and one child under 21 years of age there will be no tax payable unless the value of the estate exceeds $70,000. If he leaves a widow and two children under 21 years of age no estate tax will be payable unless the aggregate value of the estate exceeds $80,000. If he leaves a widow and three children under 21 years of age no estate tax will be payable unless the aggregate value of the estate exceeds $90,000. If he leaves a widow and four children under 21 years of age no estate tax will be payable unless the aggregate value of the estate exceeds $100,000.

The annual loss of revenue to the treasury will be $6 to $8 million. About 40 per cent of this reduction will go to the smallest group of taxable estates, namely those between $50,000 and $75,000. For estates of this size the average reduction is approximately 70 per cent.

It is not intended, sir, to ask the house to advance this bill at the present session beyond first reading. It is desirable that the bill be given first reading and be circulated among hon. members and be available to the public, particularly the members of the legal and accountancy professions. Their views

and suggestions on this major measure will be sought and it will be the intention of the government, with the assistance of suggestions from these sources, to ask parliament to enact the measure at the 1958 session.

May I now summarize the effect of the changes on the balance of ways and means for the present fiscal year? The tax changes I shall be proposing will benefit the car buyer immediately, but because of the time required to put new tax deduction tables into effect, the income tax reductions, although applicable to the full calendar year 1958, may not in all cases be reflected in pay envelopes and salary cheques until February; but this work will be done, I assure the committee, with all possible speed.

While the total tax reductions will add up to $178 million in a full year, the Minister of Finance's cash receipts will be affected by only some $26 million prior to March 31. May I at this point, Mr. Chairman, for the convenience of members, place on the record a table indicating the tax reductions in detail?

The Acting Chairman (Mr. Rea): Has the Minister of Finance permission to place this table on *Hansard?*

Some hon. Members: Agreed.

Mr. Fleming: The table follows:

Tax Reductions
(In millions of dollars)

	In a full year	In the current fiscal year
Corporate income tax	$ 12	$ 1
Personal income tax	146	17
Special excise tax	20	8
Total	$178	$26

Having previously forecast a surplus of revenue over expenditure for the year ending March 31 next of $106 million, we may now expect a surplus of $80 million after giving effect to the tax changes that I have proposed.

In conclusion, sir, may I say that the aim of the government in this program is to create more incentive by relieving the Canadian people, particularly those in the low income brackets, of a portion of the tax burden which they have been bearing. It has not been possible in this one short session and in the first 5½ months in office for the government to achieve all the measures of tax reform which it would like to put into effect. We trust that the committee will, however, recognize the boldness of the government's program and the extent to which it will contribute to confidence and prosperity.

In these arduous five and a half months since taking office on the 21st day of June the members of the government have been sustained by the example and the leadership of the Prime Minister. Those who have seen finance ministers come and go have informed me that none has faced as heavy a volume of work in the space of five and a half months as has faced this incumbent during the past five and a half months. But, Mr. Chairman, may I say very humbly that 17 to 18 hours' work per day and 100 hours' work per week are an insignificant price to pay for the high privilege of serving Canada.

Mr. Sinclair: Mr. Chairman, it is the custom for the financial critic of the official opposition to start his remarks by paying a few compliments in a friendly way to the finance minister. That of course will be completely unnecessary today because nothing I could say or anyone else in this country could say would cover him with quite the glory with which he has now just covered himself. Hard working he may be—he has told us so himself—but modesty is not one of his qualities.

The present situation, Mr. Chairman, shows very clearly how correct the leader of the C.C.F. party was this morning when he said this was a queer way to do business, and it certainly is unparallelled since confederation. Never before has a Canadian minister of finance, hard-working or otherwise, modest or immodest, ever tried to bring down a budget and tax proposals on item 1 of the finance estimates.

Mr. Harkness: Except by radio.

Mr. Nowlan: How about radio?

Mr. Sinclair: I am going to come to that. Just content yourselves. This, of course, is in very vivid contrast to the statement made last June 25 to the Canadian Press and the British United Press by the minister, before he put in these 17 hours a day every day that there would be a fall budget with tax reductions and pension boosts. He went on to say that he was going to reduce taxes, increase old age pensions and curb government spending in the budget which he was going to bring down. Well, right after that day a pall of silence fell on the usually very talkative and very voluble minister. The press reported that a telephone call by the Prime Minister told him to stop talking and to start working.

Mr. Fleming: I had no telephone call from the Prime Minister.

Mr. Sinclair: Since the session opened I and other members have tried our best to get him to tell us the date of this budget that he said would be presented. He did not say directly. He did not actually deny what the Canadian Press and the British United Press had

reported but he left that impression in everyone's mind. He said, of course, that the constitutional practice would be followed. Then we began to suspect there was not going to be a budget so we changed our questioning from when is the budget going to be presented to will there be a budget, and finally after the minister's evasions, we had to turn to the Prime Minister to get an answer. He did answer, as found on page 1710 of *Hansard*, and told us that there would be no budget this session. He gave a very airy answer saying that he had studied the history of parliament since confederation and had found that in the second sessions of 1873, 1919, 1930 and 1947 no budgets had been presented.

I have checked the four precedents he offered to the house. There is no *Hansard* for 1873 in the library but there is a scrapbook of accounts of the debates in those days. There was one short session on the railway scandal, the famous Tory railway scandal of 1873. There were no financial proposals made other than the financial proposals made in telegrams from the Tory prime minister at that time to prominent Tories around the country.

In 1919 there was a second session called by Sir Robert Borden and in the speech from the throne only one thing was mentioned, ratification of the Versailles peace treaty which had been signed on June 28. Nobody asked for a budget because no tax measures of any significance were proposed at that session. So there was no precedent there.

Now we roll along to 1930 with a Conservative government again in power. They too pledged a fall session of parliament, and in the throne speech again there was only one subject mentioned, unemployment, a problem which our new Conservative government is certainly having to grapple with. Mr. Bennett declared it was the sole issue of the session. Twenty million dollars was voted for immediate relief and amendments were made to the dumping laws and to the tariff, not for revenue, said Mr. Bennett, but to protect the Canadian workingman. If revenue resulted from these acts the plan would fail because they would not have halted distress selling from other countries. Again no member asked for any budget discussion at that time because obviously neither budgetary nor tax measures were being considered.

I have read those debates with great interest. I was not in the country at the time of the 1930 election. I was a student in Europe. It was very interesting to read and see that that Conservative government, like the present Conservative government, came to power with a tremendous number of promises, but in fairness to Mr. Bennett I must say he ran No. 2 both in number and size of promises to the present Prime Minister. Both, however, made the promise that they would immediately call parliament to carry out their promises. Well, Mr. Bennett made a pretty good fist of that. The election was on July 28 and on September 2 parliament sat. Of course, we heard after June 10 there was going to be an immediate session of parliament but that did not take place until October 14 and today, December 6, we are still waiting for this budget which was promised by the minister last June 25.

We roll along then to 1947. There was no fall session in 1947. The 1948 parliament began in December, 1947, but in that 1947-48 session there was a regular presentation of the budget in the ordinary way. My friend, the Minister of Agriculture, mentioned budget by radio. It is quite true that on November 17 the then minister of finance went on the C.B.C. radio to announce two actions he was taking under two acts of parliament, the Foreign Exchange Control Act and the transitional powers act, in order to stop the drain of our money reserves to the United States, the so-called austerity program.

Our reserves had fallen from over $1,200 million at the beginning of the year to less than $500 million at that time. These two measures, curtailment by quotas of United States imports and an excise tax to discourage the buying of non-essential goods, were announced that night. Parliament met in December and the second order of business was parliamentary approval of these two actions. That is why the minister said then, as Mr. Bennett said in 1930, that there was no budget by radio because these two measures were not designed to increase revenue but rather to restrict the importation of United States goods.

So I say there is no precedent in Canadian parliamentary history for a new session of a new parliament not having a budget. It is especially significant at this time because never before in Canadian history was a party elected on a platform of so many expensive promises, and so many high tax cuts, promises and policies that were obviously going to have a very profound effect on the balance of ways and means. As far as other members of the House of Commons are concerned, as far as the people of the nation are concerned, the only way they will learn the impact of the new proposals made, the many new proposals we are waiting for if their promises are going to be implemented, and also the tax cuts—not the small ones mentioned tonight but the ones I am going to mention which

were promised in the election—is for the people to be given an accounting and a balance sheet. In other words, they want the usual budget debate which characterizes every formal session of parliament.

What does a budget debate entail? First of all, it does entail a fair measure of warning. I looked back in *Hansard* and over the last 20 years there was a warning of anywhere from five days to two weeks of the actual date on which the budget was going to be produced. Then, there was a white paper produced the day before the budget. Last year it was a document of 90 pages containing many figures. In this way every member would know exactly the up to date figures on the economic state of the nation on gross national product, on trade, on the balance of payments and on the revenues from the various tax fields. We would have that before us when we listened to the minister and before we made our own speeches.

In addition, there was the courtesy extended that the hon. member for Greenwood mentioned earlier, that, as the minister began his speech, and it was generally a long speech, he sent a copy of his proposals across to the leaders of the various groups so that they could read all the figures there and be ready when he concluded his remarks to make some statements on them. Tonight we have had no such information. I understand the press gallery also has had no information. We jot down these figures as best we can as the minister speaks, and will have to wait now until these tables appear in *Hansard* in the morning before we really understand.

Finally, the minister stood up in his place at eight o'clock on the appointed night, with the Speaker in the chair, and moved a motion for ways and means. By our rule book he is given unlimited time, as he should have, in proposing such an essential statement for the people of this country, and the first speaker replying to him is given the same privilege. This is the constitutional practice, and is the practice which has been followed since confederation. Our new Minister of Finance, however, beat a new trail. He chose to use item 1 of his estimates to make this budget statement. I looked back over the last 12 presentations of finance estimates, which cover the period the hon. member has been in the house, and in 11 out of those 12 years there was no statement whatever made on item 1. In one year the minister of finance, in response to a request from the Social Credit party, gave a short two page statement on fiscal and monetary policy. It is quite true that other ministers in other departments sometimes choose to make a fairly extended statement on item 1 outlining the work of their department during the previous year. I, myself, when I was Minister of Fisheries followed that course.

The reason ministers of finance never have followed such a course is that traditionally they have had a very much better opportunity in the budget debate to put before parliament the whole story of the balance sheet of Canada. This, however, has been denied us by the present procedure. Let us just compare that traditional procedure with what has happened today; this queer way of doing business as the hon. member for Rosetown-Biggar rightly calls it. First of all, instead of five days or two weeks warning we had really no warning at all. Yesterday morning, according to *Hansard,* the Minister of Finance assured this house that the finance estimates would not come before parliament today. At ten o'clock last night, after prodding by the house leader of the official opposition, it was brought out that at eight o'clock tonight, despite the assertions of the Minister of Finance, we would be into finance tonight. We had, therefore, no warning.

Secondly, we have no basic material. There is no white paper produced. There was no white paper produced either by the Minister of National Defence when we started on his estimates a day or two ago, the biggest block of estimates presented to this house. Another weakness at the present time with this procedure is the failure of the minister to make a statement in the house which, in my time, Mr. Ilsley, Mr. Abbott and Mr. Harris have made, inviting members of the opposition to make full use so far as finding factual information is concerned, of the very able officers of the Department of Finance. Having spent four years as assistant to the minister of finance, I have formed a very high opinion of their services. I recall that the hon. member for Greenwood, when he was financial critic, took great advantage of that offer and that staff. These civil servants, after all, are not solely serving the government. We would not expect them to reveal policy to us in the opposition, but it would be very helpful if we could have access to them for factual information.

You might say, why did I not approach them anyhow, without invitation? We have heard statements from the Minister of Public Works and others recently about the very high value they place on the civil servants of Canada. These statements are certainly well deserved. However, we also heard rumblings from the patronage-hungry Tories rebuking the Minister of Public Works for saying there was going to be no patronage. The hon. member for Victoria returned to

British Columbia after a caucus meeting of Conservative members last summer and spoke at a meeting of the Oak Bay Progressive Conservative association on September 17. I shall take this report from the Victoria *Colonist* because it is the Tory paper. It reads:

Civil Service "Brass" All Grits, Tories find.

The heat is on the top brass of the civil service in Ottawa, A. DeB McPhillips, Victoria MP, told the Oak Bay Progressive Conservative Association last night.

The government now is in the process of breaking down the all-Grit top echelon of the civil service, he said.

"All the top civil servants and the deputy ministers are Grits," he told the meeting.

"Don't be impatient at government action," he said. "After the next election when we have a more secure mandate, more stern action will be taken."

I certainly was not going to embarrass any of the top echelon in the finance department by going to them and asking for factual information, and having them fired.

Mr. Macdonnell: Nonsense.

Mr. Sinclair: I would certainly appreciate one of the ministers repudiating the statement which was made after the Tory caucus by the hon. member for Victoria.

Then, even in the ways and means committee, if we finally got there, there would be 48 hours notice given on each of these money resolutions. Instead this new minister chose this unique way of using item 1 of his estimates to make this extraordinarily important statement on finance. He knew that the 30-minute rule on debate applied, and that is why we drew it to his attention and the attention of the nation. He chose a field in which he, himself, would be limited in the account which he gave to the nation. It is for that reason we have had no statement from him on trade, balance of payments gross national production, or any of the many economic aspects which are usually and properly reviewed in such a budget speech.

Of course, this queer way of doing business could have been avoided if he had followed, as he said he would, the constitutional practice of the Canadian parliament; if he had gone ahead with his solemn promise of last summer that there would be a budget; even if he had changed his mind—there is nothing wrong about changing your mind, if he had told us. Today the minister who sits behind him, the Minister of Labour, got up and frankly admitted he had made a mistake. We accepted that without any criticism. We all make mistakes, that is everybody except the Minister of Finance. He would not tell the house he had changed his mind and did not intend to have a budget; he let that pass to the Prime Minister to make such an announcement.

[Mr. Sinclair.]

With that explanation of this unusual course, I want now to start touching on some of the remarks the minister just made in this abbreviated budget discussion. I start out by saying that no minister of finance in Canadian history has been quite so lucky as this minister. He has been lucky in the fact that he is blessed with extraordinary talents; he has told us so himself. He is a hard worker; he has told us so himself, and also unlike most previous ministers of finance he started with a $500 million surplus in the kitty. Most new ministers of finance, of course, come in when the exchequer is empty. This minister had a start of $500 million.

Mr. Bell (Carleton): Since when? Where did that come from?

Mr. Sinclair: I shall be very happy to tell you where it came from. Last session the minister of finance did present his estimates of revenues, and he estimated that the surplus was going to be $282 million. But never once did any Tory in this house accept that. The minister himself, at page 2556 of *Hansard* of last session, said that by his calculations the surplus was going to be $518 million. We corrected that assertion quite often, but hon. members of the Tory party would not listen to us.

Then, they went out during the last election campaign and announced across the country, "You are overtaxed by $500 million." Here is just a sample. The hon. member for Huron probably recognizes these advertisements from the Seaforth *Expositor*.—"500 million surplus." The hon. member for Hamilton South will perhaps recognize this full page advertisement, "Surplus $500 million; Vote for Bob McDonald." Here is another one mentioning the $500 million surplus that the Liberals had taxed from the people. Night after night the Prime Minister made these great declarations that every Canadian family—there are over four million of them—is overtaxed by $120 and that is $500 million a year.

It is for that reason I say the minister was a lucky man to start off with this great $500 million surplus. He has another favourite figure—

Mr. Knowles (Winnipeg North Centre): He is never wrong.

Mr. Sinclair: Oh, he is never wrong, he said that himself. Another great figure we have seen across the nation in relation to these estimates—and we have books of these promises—was that in relation to essential services. He was going to trim an amount of $500 million from the estimates without

affecting essential services. Well, once again he has adopted a queer way of doing business. In tabling the main estimates prepared by the former government at the beginning of the session he said he was tabling them but some of the items he did not stand behind. He was going to remove some and reduce some but did not specify and the Leader of the Opposition and others over here said "Well, give us a list of the items you do not stand behind." But he has refused to do that up to now. So, as each department has come along, we have asked "What part of the $500 million of waste and extravagance have you found in your department?" Well, my hon. friend the Minister of Transport, who is a man who will face up to things said last September he had found no waste or extravagance in his well-run department. The Secretary of State said the same thing—

Mrs. Fairclough: I never did.

Mr. Sinclair: And the minister of mines—

Mrs. Fairclough: On a point of order, I said no such thing. If the hon. member will read *Hansard* he will find out exactly what I did say.

Some hon. Members: Hear, hear.

Mr. Sinclair: I should of course permit the hon. lady to have the last word but if she will read *Hansard* she will find that her estimates were not reduced by $1—

Mrs. Fairclough: And I explained that too.

Mr. Sinclair: That is the whole point of this argument; it is not explanations but reductions that the people were led to expect. The minister of mines said the same thing and it was the same in the case of the ministers of veterans affairs and defence and external affairs. I do not know whether the Minister of Trade and Commerce was asked that same question this morning—

An hon. Member: And the Solicitor General.

Mr. Sinclair: Yes, and then today we have at last come to item 1 of the Department of Finance, the second largest department with items totalling almost $1,200 million. A lot of that is statutory, but you would think that probably in his own department that is where he would find a great part of this $500 million of waste and extravagance of which so far we have seen no evidence. He did mention a small saving which he will be able to make on item 121 but he again paid a sterling tribute to the economy and efficiency with which his department had been run so we cannot expect very much there.

Now I turn to this matter of tax cuts. I do not want to break the rules of this house by going overtime—

Mr. Harkness: First time you did not want to break them.

Mr. Sinclair: No, no, but that was the promise made. The Prime Minister again and again said there would be a great tax reduction; $120 per family or $500 million all told. The excise tax would be removed by them. I do not need to quote the Prime Minister—

Mr. Chevrier: Go ahead.

Mr. Churchill: It is worth quoting.

Mr. Sinclair: Well this figure of $500 million is so well known, and he said that these were solemn obligations which would be effectuated so we naturally expected in this debate tax cuts totalling $500 million. We expected them to be retroactive. On platform after platform he said $10 a month excess tax was being taken out of every family in Canada by the Liberal government. Well now by their failure to correct this situation after almost six months in office they have put a load of $60 extra taxation on every one of these poor families.

I say that tonight the minister groaned and produced a very small mouse in the way of income tax reductions. The 1949 Tory platform and the proposals of their financial critic, the member for Greenwood, were to raise the basic exemption from $1000 to $1,250 and from $2,000 to $2,500 for married men which would cost $140 million a year. Well the voters did not go for that so in 1953 they raised the ante and there was the Prime Minister with the Conservative platform promising that if they were elected the basic exemption would immediately be raised for the single man from $1,000 to $1,500 and for the married man $2,000 to $3,000 at a cost of $300 million a year. We do not hear anything of that tonight.

Now according to my figures when I was parliamentary assistant that would be equivalent to a cost of $300 million for the latter proposal and $140 million for the former proposal, an amount which the hon. member for Greenwood at that time characterized as a very small amount. Why then, if it is such a small amount, is it not included tonight. It is a pity it was not included for it would be a real help to the men on low incomes. A man earning less than $3,000 of course would be totally exempt from tax if these solemn promises had been honoured.

There were of course other promises made. The sales tax was one of them. The Tory

whip in his ad. promised this in the Seaforth *News* which I guess is published in his riding.

Mr. Cardiff: By my opposition.

Mr. Sinclair: But said by you. Here are some tax items in his ad.; "under a Conservative government the income tax for a married man would be nothing on $3,000 after election". Then he goes on to mention prepaid health insurance, floor prices on farm products and then removal of all sales tax and "anyone spending $300 on clothing, shoes and so on now pays $30 and after the election"—or after he is elected—"will pay nothing".

Well we did not hear of any removal of the sales tax tonight. During the election the Prime Minister promised at Windsor to reduce the excise tax on cars, and at Oshawa to abolish the tax. Well, again, there is an awful difference between abolishing a tax and the 2½ per cent reduction in the tax which is now proposed.

Mr. Browne (St. John's West): On a point of order. The Prime Minister stated here that he did not make any such suggestion and the hon. member must accept that statement.

Some hon. Members: Oh no.

Mr. Sinclair: The Prime Minister, according to press accounts said, as the hon. member will note if he actually consults *Hansard,* that he was going to remove the exise tax completely as it was a horse and buggy tax. Then there is my good friend over there the Minister of Transport on the corporation tax—

Mr. Green: On a point of order, Mr. Chairman. The Prime Minister said just a few days ago that he had never said he would remove that tax completely and now the hon. member for Coast-Capilano should not try to put words into his mouth.

Mr. Sinclair: Hon. members will recall that I read an actual clipping from the two Tory papers, the Toronto *Telegram* and the Ottawa *Journal* and the Ottawa *Citizen,* the next day which said that he had promised to abolish this tax. I said and would say that the time to deny that was then, and not six months later.

Now my hon. friend the Minister of Transport over there said he wanted a sliding scale with respect to the corporation tax. Not just a little lift of from $20,000 or $25,000 but a real sliding scale, the whole way up to give real savings, with, the reductions in the corporation taxes, to be at least one-third. He smiles now and I think he still hopes one day this solemn promise may be effectuated. Well, we have not got $500 million nor the reductions tonight as was promised last summer, and solemnly promised.

Then in the figures given in his speech tonight by the minister—and this is one of the disadvantages of not having budget papers in the ordinary way—I think he said that in a full year the tax cuts might amount to $178 million; but would amount to less than $40 million for the present year.

We have heard quite a bit about inflation this session but he does not mention that at all in his budget speech. This is another convenience he has found in choosing supply so he would have to shorten his speech so that such things as inflation and the balance of ways and means could not be covered by him. Inflation has been a very serious problem and the previous government two years ago took brave but unpopular and misunderstood actions—misunderstood mainly because of the attempts of the conservatives to mislead the public about the dangers of inflation and what was being done by the then government. Now the Minister of Finance says we have checked inflation and he went all the way down to Hollywood, Florida which I guess is a place which combines both the attractions of Florida and California, to make a speech to the United States investors apparently to tell them that he was not as mad at them as some of his speeches made in Canada might lead them to believe and on page 11 of his speech to American investors he says this:

> In recent years the Canadian economy, like that of the United States, has been pursued by the ever-increasing threat of inflation. I confidently say to you that inflation has been checked.

I would say that if it has been checked it was checked through brave action taken by Mr. Harris and the governor of the Bank of Canada over the last two years. I said, "If it has been checked"; because I am going to quote a little better financial authority than the hard-working, ever modest Minister of Finance. I have just finished reading the annual report of the Bank of Montreal, Canada's leading bank. In the president's statement this is what he has to say:

> Canada, with its network of close economic and other international ties, would be hiding its head in the sand to assume that the fight against inflation had been won.

Take your choice, the president of the Bank of Montreal speaking to Canadians, or the Minister of Finance speaking to Americans in Florida. But you do not quite have to take your choice because this morning the attention of the house was drawn to the fact that the money rate is going back up. Treasury rates are climbing and of course

the Bank of Canada rate climbs as a consequence. It was very interesting, of course, to note that when the treasury rate was falling the Minister of Finance—nice modest little fellow that he is—gathered all the credit to himself. As reported at page 1564 of *Hansard*, when he announced a reduction in the bank rates he had this to say:

> The government will certainly claim the credit that is its due for a great many things it has done to seek to ease money, credit and interest rates, and is very gratified that its efforts in this regard have borne fruit.

That is when the interest rate goes down. But when the interest rate goes up, like Pontius Pilate he washes his hands of the affair and has nothing to do with it. Again he is such a modest little fellow.

Now I get along to the balance of ways and means. The fact that we have not a white paper makes it exceedingly difficult for any member of the opposition accurately to calculate what is the present balance between revenues and expenditures in this country. We know that some great expenditures have been promised. The *Financial Post* estimates that the new expenditures already effectuated to date have cost this country another $300 million. I, in my own modest way, have tried to make some calculations of what all the promises of the Tory party would total, and I find that the ones mentioned so far would add about $1,200 million to the annual budget and I am not including some projects. I see my friend the Minister of Public Works smiling at me.

Mr. Green: He is laughing, not smiling.

Mr. Sinclair: After he left Vancouver as a minister of the new government he said that the first task of this government was going to be to rebuild the Canadian merchant marine. That is going to cost $250 million at the very minimum. While he promised that, our friend over here the Minister of Transport is busy stripping off the last eight ships of the Canadian merchant navy and putting them under a foreign flag. That is why I did not include that cost in the $1,200 million of my estimate. I am a little bit confused as to which of these ministers is going to have his way in the end.

Then, of course, we have no mention of the dominion-provincial tax agreements. If there is going to be any more money for the ten provinces before the end of the fiscal year, it must be provided now by the minister. Premier Frost is a modest fellow. All he wants now is $100 million a year extra, which means $200 million extra for the other provinces, an extra total of $300 million. Premier Bennett of British Columbia is not a modest man; he is like the Minister of Finance. He wants another $960 million to be given to the provinces.

The Acting Chairman (Mr. Rea): I am sorry to advise the hon. member that his time has expired.

Some hon. Members: Go on.

Mr. Green: Mr. Chairman, this is all very enjoyable. We should be glad to have some more.

Mr. Sinclair: The house leader knows the rules limiting speeches to thirty minutes. But a member can speak as often as he likes on this item No. 1. I shall have therefore more to say on the next time around but unlike the Minister of Finance I will observe the rules at the present time and sit down.

Mr. Coldwell: Mr. Chairman, my first word is this. There are a large number of new members in the House of Commons who are not familiar with the procedures of parliament as they have been developed over the years. Consequently I can understand that many of them think that this way of introducing tax reductions and discussing what is in effect a small budget is the usual and traditional way of doing something which is of the utmost importance to the people of Canada and by tradition one of the most important things that parliament does during the session.

This is a session of parliament; at least I understood it was. It was opened by Her Majesty the Queen as a session,—

An hon. Member: Very formally.

Mr. Coldwell: Very formally indeed, as my hon. friend reminds me. Consequently in this session of parliament we had certainly expected that the government would come before us and present the country's balance sheet, the country's budget. I say that failure to do this is something that should be regarded by this house and indeed by the country with utmost seriousness for it is something that has never happened before. Certainly we in this house did not expect that this would be undertaken by a government headed by the Prime Minister. No one in the last parliament talked more often or at greater length or talked more during the election period or at greater length about the supremacy of parliament and the necessity to restore the rights of parliament than did the present Prime Minister of Canada. Yet today we see set aside one of the parliamentary methods of reviewing the work of the government and particularly its financial affairs and the government refusing to bring in a proper balance sheet.

Tonight we had nothing about the productivity of Canada. We have had no word as to what the gross national product is likely to be. We have some word of what the government expects its receipts and expenditures may be for the year. We are told that there will be a surplus of some $80 million. But when you come to look at that surplus of $80 million, how does the hon. member obtain it? He obtains it by transferring two items of $50 million. Consequently the idea that there will be a surplus of $80 million is altogether wrong.

Mr. Knowles (Winnipeg North Centre): It is a bookkeeping trick.

Mr. Coldwell: Yes; it is a bookkeeping trick. It is merely a bookkeeping transfer. That is all it is.

Secondly, we have heard a great deal about the expected surplus outlined by the former minister of finance. I believe that the former minister of finance, when he put before the house the suggestion that he might have a very substantial surplus, believed in his heart that that surplus would not materialize by March 31, 1958. Why? Because he expected during the current year that the federal treasury would have to do something for the health plan that had been adopted in March by this parliament. In the estimates placed before this house tonight by the Minister of Finance no mention has been made of the possibility of the federal government having to contribute to any of the six provinces that have come to agreement with this government and this parliament.

Mr. Monteith: They have not signed them yet.

Mr. Coldwell: Yet the Prime Minister has told us, when he has been twitted, that this health plan or this hospitalization plan will come into effect sooner than you think. How soon?

Mr. Monteith: And it will.

Mr. Coldwell: The minister says it will. Very well. Why did not the Minister of Finance, if it is coming in soon, tell us what it is going to cost, and how much of the $80 million will be allocated to the provinces during the next few months because there are provinces with their health plans in operation and ready and anxious to sign and properly entitled to receive the grants under the legislation that we passed in this house last March. Then again, he has told us nothing about what he is going to do for agriculture.

We are going to have an agricultural measure in this house that we hope at least will do something for the farmers of this country. We are hoping that some provision will be made for deficiency payments. We are hoping that some means will be found to give the farmers something of parity for their products. This legislation is supposed to be brought in. What is it going to cost? The Minister of Finance has had nothing to say about the cost of these worth-while additional expenditures that this parliament will be called upon to make, I hope, within the next few months. There was no mention of agriculture, no mention of a health plan and no mention of the gross national product and what we may expect during the next few months of this current financial year in that regard.

Mr. Benidickson: He is on the skids.

Mr. Coldwell: True, the statement the minister made tonight does envisage some tax reductions which will be welcome. The reduction of the excise tax from 10 per cent to 7½ per cent will be welcomed by the automobile industry and more particularly by the dealers if they are relieved of the loss that they might otherwise have sustained. The people of Canada will welcome this measure if the automobile industry passes on this saving to the people. But even that is not what was expected. We have been told that this tax is a pernicious tax and that it would be wiped out.

Mr. Sinclair: It was described as a horse and buggy tax.

Mr. Coldwell: We were told that it would be cut down to five per cent.

Some hon. Members: Told by whom?

Mr. Coldwell: Everybody expected it.

Mr. Knowles (Winnipeg North Centre): There was a leak.

Mr. Coldwell: It was generally stated. My hon. friends criticized that tax in toto.

Mr. Sinclair: Horse and buggy tax.

Mr. Coldwell: Yes, a horse and buggy tax.

An hon. Member: We agree that it is.

Mr. Coldwell: The government promised it would be wiped out.

Mr. Stewart (Winnipeg North): Just part of the horse now, that is all you are.

Mr. Coldwell: Members of the government electioneered about the tax and criticized it in toto. They promised if they were elected that it would be reduced more drastically than it was tonight. Why was it not reduced

to a greater extent? Perhaps they did not want the people to give any credence to the leak that was generally supposed to have occurred during the past week or ten days.

Some hon. Members: Oh, oh.

Mr. Coldwell: My hon. friends can groan as they like but they are going to groan a lot more in the next few years.

Mr. McCleave: You are groaning now.

Mr. Knowles (Winnipeg North Centre): And there will be weeping and wailing and gnashing of teeth, too.

Mr. Coldwell: We have had tonight an excuse for a budget.

Mr. Bell (Saint John-Albert): A pretty good excuse.

Mr. Coldwell: The Minister of National Health and Welfare laughs—

Mr. Monteith: That is right.

Mr. Coldwell: —but let him read his Canadian history and his British history and he will find that what has been done tonight is unprecedented in two particulars. The first is that the government has refused to bring down a financial statement, a budget, into this house. The second is that this has been introduced in the house without a motion in committee of ways and means so there can be no real debate on the proposals of the minister.

Mr. Bell (Carleton): What is going on now?

Mr. Coldwell: This is not a proper debate. The hon. member for Coast-Capilano and I cannot move an amendment. We are only discussing the first item of the estimates.

Mr. Stanton: You would not debate it even if you could.

Mr. Bell (Saint John-Albert): You do not vote for your amendments.

Mr. Stewart (Winnipeg North): Oh yes we do.

Mr. Coldwell: My hon. friend mentioned the fact that the Prime Minister, last Monday, December 2, attempted to justify this kind of caricature of parliament, as he described something that occurred in the house in June, 1956, by saying that this had been done before. I want to tell you that it has never been done before. My hon. friend quoted the precedents. What were those precedents? Well, he described them to us. The first occurred in the session of 1873. What length of time did the house meet in 1873?

Mr. McIvor: That was a long time ago.

Mr. Coldwell: Eleven days. As my hon. friend already said that was the session of the infamous Pacific scandal but what he did not mention—and perhaps my hon. friend forgot to mention it—was that there were no tax changes in those eleven days so there was no need for a budget in that session.

The next example was that of 1919, a slightly longer session. Again the Prime Minister neglected to inform us last Monday that there were no changes in taxation during that short session which lasted less than a month as I recall it. I would not want to say definitely how long it lasted because my memory may be at fault in that particular.

The session of 1930 which was cited as another example lasted twelve days and was looked upon as an emergency session. Unemployment was rampant, farm prices had fallen and even some of our great banks and insurance companies were in a very uncertain position, so uncertain a position my hon. friends may remember that the government of that day passed two orders in council in 1930 or 1931 authorizing the banks and insurance companies to publish balance sheets showing their assets valued not at the end of the year when those orders in council were passed but prior to the depression.

The Hon. Mr. Power who is now in the Senate and the Right Hon. J. L. Ilsley who is now one of our respected judges told this story in the House of Commons two or three years later and you will find it in the records. I have in my files the two orders in council that were passed by the Conservative government at that time covering up the situation that threatened our financial institutions. The emergency session of 1930 lasted twelve days. This, we are told, is a full session of parliament and it was opened, as I said, by Her Majesty the Queen to do the business of the country.

The Prime Minister also referred to December, 1947 when he said there was no budget but that there were extensive fiscal changes. That is perfectly true. I remember that very well and I recall the debate when a budget was presented later in that very session. Hon. members will recall that we met and the session extended over several months and a budget was brought down later in the session. I was really surprised that the minister would quote what he criticized so severely in 1947 as a precedent for doing the thing his government has done tonight. I am equally unable to understand the Minister of Finance doing what he has done in view of his criticism at the same time.

Mr. Knowles (Winnipeg North Centre): He is on the record, too.

Mr. Coldwell: Yes, and I think I may read the record back to him. In the budget debate of March 9, 1948 as recorded at page 2047 of Hansard of that date the present Minister of Finance said:

> The minister has invited this house, in a gesture which I say is an insult to the intelligence of the house, to believe that this was done in obedience to necessity.

I believe this has reference to an announcement made over the radio. He continued:

> How necessity is always conjured up to serve the ends of tyrants!

It is necessary that we shall not have a budget debate; the necessity is that we get this through this session without it. Indeed, how necessity is always conjured up to serve the ends of tyrants! He went on to say:

> Last week I quoted in this house the words of William Pitt: "Necessity is the plea for every infringement of human freedom. It is the argument of tyrants; it is the creed of slaves." And naturally it was necessity to which the Minister of Finance tonight ascribed the act which, in the name of the government, he embarked upon on November 17.
>
> Necessity! Was there necessity for over-riding the constitution,—

I am quoting the words, of course, of the Minister of Finance.

> —for over-riding settled constitutional principles centuries old, principles which have been the bulwark of the rights, not simply of a few but of all citizens?

That is what he has done tonight. I continue:

> This is not an issue that affects just a few people; this is an issue that touches every man, woman and child in Canada who values freedom, and who can see, in what this government has been doing in the past three and one-half months, steps toward oligarchical rule and the destruction of our parliamentary institutions.

Was there ever a more apt quotation turned back on the man who made it? The Prime Minister was not to be outdone on that occasion. The same day, March 9, 1948, he spoke, as recorded at page 2029 of *Hansard*, and he said:

> There, sir, is the picture from 1215 to 1947; and, with only one exception, never after the development of parliamentary government either in Britain or in any of the self-governing dominions has taxation been imposed as a result of the simple statement or the fiat of any one minister.

Nor, may I say, has taxation been reduced by the statement or the fiat of a single minister. That is what we have seen tonight.

Mr. Fleming: Tax reduction?

Mr. Coldwell: I could quote in support of that Durell, "On the Function of the Committee of Ways and Means", in which he points out clearly that any taxation imposed such as that would be unconstitutional, uncollectible and unjustifiable.

Mr. Bell (Carleton): Imposed.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Coldwell: That was the Prime Minister speaking. I know the lawyer can quibble, but I want to say that it is just exactly in the same category if a minister issues a fiat to impose or reduce or abolish taxation.

Mr. Bell (Carleton): Oh, no.

Mr. Coldwell: Just a moment; it is still a ministerial announcement that is not a part of a resolution of this house. This house alone can impose and reduce taxes and yet the minister said tonight that the reduction in the excise tax would go into effect at midnight tonight, was it? There you have the reduction made. It may be said that when the budget is brought down we do precisely that. Yes, we do; we do that by custom; we do that by precedents and we do it in the proper constitutional way as part of the budget announcements, but tonight we have not a budget. The minister said that he was not going to introduce a budget. We have not a budget tonight.

I want to say, too, that one very revealing statement of the Minister of Finance tonight was this. He said that the relief, and welcome relief, in the lowest bracket—we are glad to see that relief being given—would affect 100,000 families in Canada in the $2,000 or slightly over bracket, depending on the dependants. That is something of an indictment on our Canadian economy, something of an indictment of the conditions that exist in this country when we are told by the minister that there are in effect 100,000 people in that low income tax bracket who will be relieved of taxation because they were in that bracket; in other words that they among others are living on a level far below the cost of subsistence in this country. That is the admission that we have tonight. They are living on incomes far below the cost of subsistence, and I could not help making a note of it when the Minister of Finance made the statement a short time ago.

We are disappointed that some things have been left out that should have been in. We are glad that there are some things which are going to benefit the people of Canada; but no matter how good something may be and how welcome something may be, if we do something in a manner which is the wrong way of doing it then we are creating precedents perhaps that this government or some other government following them can follow and do a great deal more than has been done tonight in the manner in which it has been done.

Mr. Bell (Carleton): Will the hon. gentleman permit a question?

Mr. Coldwell: Yes.

Mr. Bell (Carleton): Does the hon. gentleman know that the procedure which has been adopted tonight is in precise accord with the principles governing this type of procedure as set down in the 15th edition of Sir Erskine May's Manual of Parliamentary Procedure?

Mr. Benidickson: Give us the page.

Mr. Bell (Carleton): Page 764. Will the hon. member permit me to read it, because he is one of the most fair-minded gentlemen in the house?

Mr. Coldwell: No, Mr. Chairman. My hon. friend may read this when I sit down. I shall be sitting down in a few minutes because my time is almost up.

Mr. Bell (Carleton): I do not want to interfere with the hon. member for Peace River.

Mr. Coldwell: May I say this? I understand the hon. member is going to quote May. Is that right?

Mr. Bell (Carleton): Yes.

Mr. Coldwell: May is an authority whose writings and authority are accepted by the parliament of Britain. Our procedures regarding the discussion of estimates differ significantly from the manner in which estimates are discussed in the United Kingdom or in the United States. Through the years we in Canada have made our own precedents. This is the Canadian parliament. We have created our own precedents and since our method of doing business in this house is quite distinct from that of Britain, tonight I have relied on the manner in which we have done business in this house, and neither the hon. gentleman nor the Prime Minister can quote any precedents to the contrary. The Prime Minister, as I have said, tried to quote three precedents. Not one of them holds water. Not one of them is a precedent for the present situation.

Mr. Harkness: Do you forget how often the hon. member for Winnipeg North Centre quotes May?

Mr. Coldwell: When he is applicable.

Some hon. Members: Oh, oh.

Mr. Coldwell: When he is applicable to our own procedures.

Some hon. Members: Oh, oh.

Mr. Coldwell: Oh, yes. You know, sometimes a loud laugh means a very empty mind. I say that you cannot find a precedent in Canadian parliamentary history which will support what has been done tonight. Never mind what is done in Britain in another type of discussion of estimates.

Some hon. Members: Oh, oh.

Mr. Coldwell: Again that loud laugh shows that the hon. gentleman does not know what I am talking about.

An hon. Member: Temper.

Mr. Knowles (Winnipeg North Centre): If we want to do things in the way they do them in Britain, appoint a member of the opposition as chairman of the finance committee.

Mr. Coldwell: However we may welcome these changes, some things have been left out that we deplore and the manner of its doing is not in accordance with Canadian parliamentary procedure.

Mr. Low: Mr. Chairman, in the few minutes that I have before ten o'clock I should like to make a few general remarks about the most unusual exhibition that we have seen here tonight. I think the method which was taken by the Minister of Finance to announce his tax changes was nothing short of sleight-of-hand and a most unusual method, a method that will make history of a very sorry kind. I say that because unquestionably governments in the future will point to this as a precedent, will attempt to use a similar method and, as the hon. member for Rosetown-Biggar has said, perhaps try to go farther and create financial chaos in the country.

I was hoping that the Minister of Finance would realize how important it is for him and his colleagues to observe meticulously the rules of parliament and to see to it that this parliament is supreme. The representatives of the people gathered in this parliament are supreme over the executive. I heard the Minister of Finance three years ago away off in East Africa in the parliament house of Nairobi give a learned discourse on the manner in which the executive branch of government was arrogating unto itself the powers of the legislative branch of government. For quite some time he inveighed against the practice and convinced a lot of people there that the Canadian parliament, in common with many other parliaments in the commonwealth, was perhaps giving over to the executive branch powers that really belong to the legislative branch of government, parliament.

I can see from his performance tonight that he did not convince himself then that his arguments were sound because he has certainly turned his back on what he said that day and has, as I said, followed a most unusual course in bringing in this budget. I think the method he used tonight can best be likened perhaps to a farmer transporting a load of hay out of a prison yard and

secreting a criminal under the hay in order to get him out of jail. There is no other likeness.

Here is a method that I deplore. I think the government should be straightforward. It had every reason to be straightforward, and I cannot for the life of me understand why the minister did not go straight ahead with the declaration he made shortly after he came into office that he would present a budget. I realize that the Prime Minister was said to have taken a different view at the time and whether the Prime Minister told the Minister of Finance that he was not to bring in a budget or what nobody will know. I am not going to accuse him of interfering with the Minister of Finance in any way but I will say that once the Minister of Finance said he was going to present a budget at this session I think he should have carried it through. If he felt he was out of harmony with his leader he should have resigned and let some other person assume the post and take a course that would have been more in keeping with the wishes of the Prime Minister.

Certainly this method did not represent the views of the Minister of Finance at that time. Something happened to change his mind. I do not know what it was and I suppose we shall never know. Why no budget? There should have been a budget presented and I have said so on every occasion. I agree with those who have already spoken. The hon. member for Coast-Capilano presented, I thought, a very reasoned argument for having a budget. Certainly if at any time in Canadian history it was necessary for members of parliament to have a white paper, this is it. In all my experience of nearly 23 years in legislative chambers, this is the year when we most needed to have all the facts and figures concerning the economic affairs of the country. Certainly we should have had a balance sheet before us several days ago, even if it were necessary to work the hard-working minister 20 or 30 hours a day.

I sympathize with him in his difficulty in trying to carry the heavy duties of an office with which he was not familiar, and having had no executive experience in government it certainly must have been a terrible job for him to get accustomed to things. I appreciate that fact, but if he had said that he would produce to the very best of his ability all the facts and figures that are available and have them printed in a white paper, which would not have been a terrific job, then we could have had something before us to follow.

I should have liked to have a copy of his speech that he gave tonight. Other ministers have paid us that courtesy. Just after the budget speech was under way they have always had copies sent to us so that we could mark them and follow very carefully as they went along. That did help us considerably. Why not tonight?

Mr. Knowles (Winnipeg North Centre): There has been a change.

Mr. Low: Yes, there has been a change. I thought that when the people of Canada expressed their desire for a change on the 10th of June it was not just a change from in and out but a change in procedures and attitudes as well.

Mr. Coldwell: There has been a change in attitude.

Mr. Sinclair: From courtesy to discourtesy.

Mr. Coldwell: But for the worse.

Mr. Low: Let us say then that the people of Canada expected a change for the better.

An hon. Member: They got it.

Mr. Low: That is a good subject for debate and that is what we are debating at the moment. The fact is that this is one of the best evidences that it is a change for the worse, not for the better. Well, why no budget? That is the big question, the $64,000 question, or is it the $109 million question? Is it because the government is afraid to present a balance sheet? I suggest that a balance sheet would show a whole lot different picture from what we got in the contracted statement made by the minister tonight. For instance, doubtless it would show quite a considerable difference of fact from what we were told concerning the government's so-called or claimed favourable position financially when the Minister of Finance said that they would be able to get through this year even with all the increases they have been making in social security measures and still have a surplus.

Why no balance sheet? A balance sheet would have shown the true facts and I think one of the secrets is the $100 million, which should be shown. It was not shown. It was brought out, of course, in debate, and I think that ought to be emphasized. It looks to me as though the government has been afraid to bring out a balance sheet and I challenge them now to get busy and get one out before the Minister of Finance is finished debating his estimates. I think this house and the people of the country are entitled to it.

Another possibility, of course, as an explanation of no budget is that the government

knew that it could not fulfil all its election promises for tax reduction and therefore it did not want to have too many facts and figures before the people of the country and thought it perhaps could mesmerize the people with the figures presented to us tonight involving small tax reductions in various fields. That may be so. I recall, for example, that the present Prime Minister made a speech in Toronto on April 25—and, by George, this is a very fine looking brochure—in the course of that speech he brought out some interesting things about overtaxation by the high tax party. I judge from what is printed here that he considered the Liberals to be the high tax party. I do not know about that. It could be a very serious question that could be debated. However, in the course of what he had to say he made this statement:

> In the session ended last month in Ottawa, and in the budget brought down by Mr. Harris, they made no noticeable reduction in taxes. There was no reduction in the rate of income tax; no reduction in those taxes which contribute to the high cost of goods that you and I have to buy.

Mr. Coldwell: Sales tax.

Mr. Low: Sales tax. I recall that all during the election campaign one of the things that the Prime Minister was pressing home every time he spoke to the Canadian people was that these taxes which do contribute to increases in prices ought to be the very first tackled in any reduction program. I agree with him. But what an emptiness, what a vacuum with regard to these taxes that push prices up in the announcement made by my friend the Minister of Finance tonight. There has not been a single word said about the sales tax.

Of course, mind you, it might have been that if they had brought in changes in the sales tax they would have had to bring in a budget. I do not know for certain whether or not that is true. In any event, that may have been another reason, but the fact remains that the government did not come to grips with this very important matter of taxation that does push up prices and cause inflation. I have said in this house before, and I shall repeat now, there is no more inflationary pressure on the economy of the country than that which is exerted by government when it places heavy taxes upon commodities. There is not any question about it. It is those people in the lower income brackets who are not touched by tonight's announced reductions, who would benefit by a reduction in sales taxes. There was nothing for them in these announcements.

Do not think for one moment, Mr. Chairman, that I do not appreciate the things which the Minister of Finance has done. I think we all must acknowledge that what he has done by way of tax reductions is all to the good. I believe that no one can criticize them too severely. But I do say that they are not in keeping with the promises that have been made by the Prime Minister and other speakers in government circles as they moved about the country during the election campaign and afterwards.

I have not yet got at the reason, perhaps, for the failure to produce a budget. I say that it could have been because the government was afraid to present a balance sheet; it could have been because the government could not fulfil all its election promises for tax reductions and therefore chose the unusual method of dragging in the back door these tax changes so they would not loom too large as a budget. They could declare they were not a budget but simply an announcement of tax reductions which accompanied the moving of the first item of the estimates of the finance department.

Another reason, perhaps, is this. Is it because the government wanted to prevent a full scale budget debate? I think perhaps there is a possible good reason. You see, if we had a full scale budget debate it would take about eight full days. By arrangement, I am quite sure the leader of the government could have reduced that for this particular session to about four or maybe five days, if the government had wanted to have a budget debate that did not extend too long. I am sure that by consultation with the leaders of the parties this could have been arranged, and I think should have been arranged. I believe we are reasonable people and would reasonably meet any request of that kind to facilitate the business of this country in what is supposed to be a special session.

There is no excuse for the government not having asked us; not one. It is just one more reason why I say that the biggest complaint against the government today is this flouting of parliament. This is the very thing upon which they went to the country; the very thing they claimed to the Canadian people they would have to restore. Moses coming to lead the children of Israel out of bondage; that is what they were going to do. I have not seen any evidence of it. Parliament has not been recognized during this session as they promised it would be recognized. What took place tonight is just one further example of the way parliament is being treated. I say that that is not the way to gain the confidence of the people of this country, not at all. It is certainly the best way to lead the people to demand that a change be made for the better. They will demand that sort of thing.

Perhaps as I am about to change topics, Mr. Chairman, this would be a good time to call it ten o'clock. I see it is only one minute to ten.

Mr. Green: May I suggest to Your Honour that you fail to look at the clock until the hon. member has finished?

Some hon. Members: No.

Mr. Coldwell: Ten o'clock. We were here at ten o'clock this morning.

The Acting Chairman (Mr. Rea): Has the hon. member leave of the committee to continue?

Some hon. Members: No.

The Acting Chairman (Mr. Rea): I am sorry; it being ten o'clock, shall I rise, report progress and ask leave to sit again?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the leader what the business is for tomorrow?

Mr. Green: Mr. Speaker, tomorrow we shall commence with the estimates of the Department of Trade and Commerce, then the estimates of the Department of National Revenue.

Mr. Chevrier: May I ask what the business will be for Monday and Tuesday of next week?

Mr. Green: Monday will be private members' day. It has been arranged between the representatives of the four parties that on Tuesday we shall have a one day debate on a motion to go into supply, with a vote on any amendment at 8.15.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, while we are on the business of the house, I wonder if I might put a question to the house leader? Will the Minister of Finance be giving notice in the usual way of ways and means resolutions implementing some of the proposals he made tonight? The reason I ask that question is, I believe, obvious. Will the budget debate be carried on in the committee of supply on the first item of the finance estimates or will it be on resolutions in committee of ways and means? I am sure the government does not want to mix it up or have two debates, so perhaps we could be informed of the plan for further debate of these budgetary proposals.

Mr. Fleming: Mr. Speaker, I am sure my friend does not mean to speak of budgetary proposals. There has been no suggestion it was a budget that was presented here tonight, in the sense of the word as he used it.

Mr. Knowles (Winnipeg North Centre): I certainly do.

Mr. Fleming: The rule is quite clear, and I should like to give it to my hon. friend. We have heard tonight that it is necessary to proceed by way of presentation of a budget speech on a motion to resolve the house into committee of ways and means. On the contrary, we have proceeded regularly and in accordance with the authorities on this subject. If my friend will refer to Beauchesne's third edition, citation 495, he will see the following:

> The consideration of the financial statement of the year, familiarly known as "the budget", is made when the finance minister has completed his estimates of the probable income and expenditure for the year and usually after some progress has been made in voting the main estimates laid on the table. It is usual to make the budget speech on the motion for the house to go into committee of ways and means; but finance ministers have at times found it convenient to make it on the motion for committee of supply.

I cite that to show that the hon. member for Rosetown-Biggar was quite wrong in what he had to say tonight. If a further authority is required on the subject, it is set out in May. I am quoting from May's 15th edition, pages 760 and 764. The following is to be found at page 760:

> Matters which are covered by the term "charges upon the people" may be briefly summarized as (1) the imposition of taxation, including the increase in rate, or extension in incidence, of existing taxation, (2) the repeal or reduction of existing alleviations of taxation such as exemptions or drawbacks, (3) the delegation of taxing powers within the United Kingdom, (4) the granting of borrowing powers and (5) provision for the payment into the exchequer of receipts which do not arise from taxation.

Then, on page 764 we find the following:

> Provisions for the alleviation of taxation—

May I remind you, sir, there is no suggestion tonight of any increase in taxation. All that has been proposed tonight are measures to alleviate taxation. I quote:

> Provisions for the alleviation of taxation are not subject to the rules of financial procedure. The repeal or reduction of a tax, for instance, by the Finance Bill, is sometimes preceded by a specific ways and means resolution. But this procedure is neither necessary nor usual. Thus provisions for the repeal or the reduction of taxation, the granting or extension of exemptions, the creation or increase of drawbacks, etc. can be presented in bills or inserted by amendment without preliminary sanction of the committee of ways and means.

Mr. Speaker, in the face of those unchallengeable authorities and in keeping with the purpose of the government to respect the rights of parliament at all times the government will proceed in the manner indicated. There will be the fullest opportunity given

any member to speak in this committee of supply as often as he wishes—I repeat, as often as he wishes—much more freely than would have been the case if a motion had been offered in the house where every member would have been confined to one speech. Again when the bills are introduced—the bill to amend the Income Tax Act, the bill to amend the Excise Tax Act—hon. members will have their full opportunity to discuss the measures, offer suggestions and move whatever amendments they choose to offer and to oppose those measures if they dare.

Mr. Sinclair: What a man.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if the Minister of Finance is choosing to defend his course of action by pleading certain citations which he contends are unchallengeable authorities so far as the Canadian parliament is concerned, may I point out before I read one or two citations from authorities which refer to the practice of the Canadian parliament that the Minister of Finance has read from May which is a book on the practices of the parliament of the United Kingdom—

Mr. Fleming: It is a pretty good parliament.

Mr. Sinclair: You think we are still a colony; we are a nation.

Mr. Knowles (Winnipeg North Centre): —where they have certain differences in rules, as the Minister of Finance well knows, and where they have permanent legislation governing taxation practices in between budgets. That is quite different from our situation and I submit that to quote the rules which apply at Westminster is begging the question so far as our Canadian parliament is concerned.

Mr. Fleming: There is no difference in this respect.

Mr. Knowles (Winnipeg North Centre): Just a minute; I know the minister can never be wrong but let it be clear that there is a difference.

Mr. Sinclair: They have a family compact mentality.

Mr. Knowles (Winnipeg North Centre): If the minister, in quoting citation 495 of Beauchesne's third edition, would like to know where Dr. Beauchesne got that paragraph, I can tell the minister that Beauchesne is simply repeating something that is to be found on page 429 of Bourinot's fourth edition. Bourinot was a distinguished clerk of this House of Commons and his work deals exclusively with the practices of the Canadian House of Commons. I am not going to read all the paragraph, but it tells of some of the difficulties in the first years of confederation when the ministers of finance and the House of Commons tried to sort out the way in which to present budget proposals. Bourinot says there were instances in 1870 and 1874 and one or two other early years when budget proposals were made in committee—sometimes in committee of ways and means and sometimes in committee of supply—although he says that on the occasion when the budget was presented in the committee of supply, in order to implement it, motions were moved in the committee of ways and means the next day.

However, after describing this early instance, Bourinot says in subsequent years, indeed since 1880, the budget statement has been generally made by the finance minister on the motion to go into committee of ways and means, with the Speaker in the chair. Now, Mr. Speaker, the point is that prior to 1880 there was an instance in the Canadian House of Commons of an action such as the one taken by the minister tonight and it is on that basis that Beauchesne put citation 495 in his third edition but, if you look back to the sources of Beauchesne's citation 495, which is page 429 of Bourinot, you will find that it has not happened since 1880.

May I also draw to the attention of the Minister of Finance other citations—I will not take up the time of the house to read them but I will give him the page numbers —418, 428 and 438 of Bourinot, which make it clear that all propositions—not just increases in taxation—relating to the tariff and taxation of the country must be considered in committee of ways and means. At one of the pages I have given Bourinot says that changes in taxation, whether increases, amendments, reductions or abolitions, must be dealt with in committee of ways and means.

I suggest, Mr. Speaker, that my leader was absolutely correct in what he said as to the impropriety of this way of proceeding in terms of the Canadian practice and that according to Canadian practice and according to our rules there is no question but that these income tax changes have got to be dealt with in the committee of ways and means.

It is also my view—

Mr. Deputy Speaker: Order. I think this is not the time for debate. I think the Chair has been quite lenient so far.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, a point of order was made.

Mr. Deputy Speaker: A point of order was raised but this is not the time for debate.

Mr. Nowlan: Order, sit down.

Mr. Knowles (Winnipeg North Centre): I have not had an answer to my question.

Mr. Nowlan: Sit down; you should not be standing up.

Mr. Chevrier: This debate arose because of a question asked arising out of the order of business and it was followed by a question from the hon. member for Winnipeg North Centre of the Minister of Finance. The minister had a perfect right to make his explanation as he understood the position and to quote certain authorities and now surely the hon. member for Winnipeg North Centre has a right to reply and have his reply put on the record.

An hon. Member: How long did the Minister of Finance speak?

Mr. Chevrier: I suggest he is within his rights and should not be interfered with in making his point of order.

Mr. Knowles (Winnipeg North Centre): Well, I will conclude very briefly with what I have to say. It is my view that the changes we made in our standing orders in 1955, when we separated the rules respecting ways and means from those respecting supply, involved the decision that from then on there was to be only one eight-day debate on the motion to go into committee of ways and means, but there was to be that one debate. Prior to the change in that rule it was possible in one session to have several debates on the motion to go into committee of ways and means and it was agreed in the committee on procedure that maybe that was unnecessary. The change we made in 1955 provided for incidental occasions on which we can go into committee of ways and means without question put, but for the one main budget debate of the session there must be the motion, which is subject to one amendment and one subamendment, and the debate must not exceed eight days.

An hon. Member: Those were the new rules.

Mr. Knowles (Winnipeg North Centre): There may be some argument about the interpretation of that rule, Mr. Speaker, for the reason that it has never been tested since it was changed in 1955. I did not think the party across the way would test it. But though there could be a discussion about the requirement that there should be a debate with the Speaker in the chair before we go into committee of ways and means on proposals such as those made tonight, there is no question but that any taxation changes have to be made in committee of ways and means. I consider that our discussion on these taxation measures, taking place in committee of supply, is really out of order, for resolutions will have to be moved in committee of ways and means and it is therefore possible that all the speeches which have been made tonight may be made all over again and nobody could complain.

I submit that when the Minister of Finance and his parliamentary assistant, the hon. member for Carleton (Mr. Bell), start looking to the authorities, they should look to authorities that are valid with respect to our Canadian practices.

Mr. Speaker, I repeat my question. Is the Minister of Finance giving notice of resolutions to be moved in committee of ways and means?

Mr. Fleming: My hon. friend has had his answer.

Some hon. Members: Ten o'clock.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. There has been no attempt to answer my question. Is the minister filing resolutions to be moved in committee of ways and means?

Some hon. Members: Ten o'clock.

Mr. Coldwell: I think it is rude for a minister to sit in his seat and growl some sort of answer.

It being thirteen 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:

FISHERIES PATROL BOATS

Question No. 245—**Mr. Kirk:**

1. How many of the patrol boats in the protection service of the Department of Fisheries are used mainly to enforce the 12-mile fishing limit?
2. What was the date of the first order in council establishing the 12-mile limit for Canadian trawlers?

Answer by: **Hon. J. A. MacLean (Minister of Fisheries):**

1. No patrol boat is occupied full time in such enforcement. The work is mainly carried on by C.G.S. *Cygnus*. Assistance is given by six of the department's larger patrol boats.

2. April 6, 1915.

ELECTRICITY COST, NOVA SCOTIA

Question No. 248—**Mr. MacEachen:**

1. What is the cost of electricity generated from thermal sources to industrial users in Nova Scotia?
2. What will be the cost to same users as a result of subvention on coal for power purposes?

Questions

Answer by: **Hon. Ellen L. Fairclough (Secretary of State):**

1. This information is not available in the dominion bureau of statistics. A separate breakdown for industrial users is not compiled.

2. The subvention to be paid on coal for power purposes is part of agreements under negotiation with the authorities in the maritime provinces. Until the agreements are finally concluded, it is not possible to state any figures on the consequent reductions in the cost of power.

PUBLIC WORKS DEPARTMENT RESIGNATIONS

Question No. 268—**Mr. Pickersgill:**

1. Have any members of the headquarters staff of the trans-Canada highways division of public works, apart from stenographers and clerks, resigned since June 21, 1957? If so, how many?
2. What is the name and former duty of each?
3. What reason was given in each case for the resignation?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Yes, two.

2 (a) S. Ferizi, technical officer 3; (b) R. M. Bullock, technical officer 7.

3. (a) No reason given; (b) resigned as an alternative to carrying out departmental instructions.

HOUSE OF COMMONS

Saturday, December 7, 1957

The house met at eleven o'clock.

BUSINESS OF THE HOUSE

REQUEST FOR TABLING OF BREAKDOWN OF SAVINGS CLAIMED BY MINISTER OF FINANCE

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, I would like to direct a question to the Minister of Finance. When the minister next brings his estimates before the committee of supply will he table for the information of the members and the public a breakdown of the $64 million savings, economies and shortfalls claimed in his budget speech last night, the breakdown to be by departments and numbered items in the blue book of estimates?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I indicated yesterday and I think on one previous occasion the method by which this information will be given to the house. As the estimates of each department are brought before the house the minister of the department will indicate where the particular reductions are to be made. As I also mentioned, the work of review is continuing and will continue throughout the balance of the fiscal year. The figure I gave last night is the estimated saving as a result of that total effort up to March 31.

Mr. Sinclair: Mr. Speaker, I would like to point out again to the minister that he included other tables in his account last night, and this one table would be very helpful to the members of this house and the general public and would not be unnecessary work for his department. Will the minister not reconsider and agree to this very modest request?

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, may I ask the Minister of Finance if he does not appreciate that having these figures beforehand would enable us to consider the individual items in the estimates much more easily and, I would say, much more intelligently if we had that information. The hon. gentleman from his own experience would realize the difficulties in a situation where a number of items may be subject to reduction during discussion. Does the minister not appreciate that there would be great advantage to the committee if this information were available before it?

Some hon. Members: Question.

Mr. Speaker: I take it that it is appropriate to discuss the arrangements of the house at this period of the day. The hon. member is not asking a question but is seeking to discuss the arrangements of the house. As I said yesterday, I think it appropriate that these arrangements be discussed between the spokesmen of the parties so we do not have a general debate on arrangements. Is there any more to be said on that subject?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question. Would the Minister of Finance indicate some time soon what items in the estimates will be reduced by actual motion made by the minister?

Mr. Fleming: Mr. Speaker, I thought I had already dealt with that. The opinion is that this should be done on the estimates of each department by the minister of that department.

Mr. Sinclair: We have not seen it yet in five departments.

Mr. Knowles (Winnipeg North Centre): Just to be clear, Mr. Speaker, will there be some items concerning which the present committee of supply will actually be asked to make a reduction?

Mr. Fleming: Yes, Mr. Speaker.

INQUIRY AS TO REFERENCE OF PROPOSED RULE CHANGE TO COMMITTEE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, because of the absence of the Prime Minister may I direct this question to the house leader. In the matter of any changes in the rules of the house, including any change in the rule which was badly abused last year, notice of which has been given, will the government have parliament follow the time-honoured tradition of referring any such change to a committee of the house to be presided over by His Honour the Speaker?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I believe there is a notice of motion in *Votes and Proceedings*

today which would have the effect of abolishing closure. It is not the intention to refer that motion to a committee.

SHIPPING

LASQUETI ISLAND, B.C.—REQUEST FOR PROVISION OF EMERGENCY SERVICE

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to ask a question of the Minister of Transport. In his absence I will direct my question either to his parliamentary assistant or to the Acting Prime Minister. My question is based on a telegram I received this morning, a copy of which I sent to the office of the Minister of Transport.

Will the minister act on the request of the Lasqueti island chamber of commerce that a ship be sent from Vancouver to replenish their supplies, which are now running low, in order that the inhabitants of this island may continue to exist while he completes the investigation into the possibility of restoring regular steamer service which he promised some two weeks ago?

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, we will be very glad to look into this situation at once.

LABOUR CONDITIONS

BRITISH COLUMBIA—REPORTED CLOSING DOWN OF HOWE SOUND COMPANY

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, I wish to direct a question to the Minister of Justice. Can he report any progress in the matter of the Britannia mine?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, as I said on a previous occasion in this connection, it is necessary to receive reports and hold consultations with a number of interested people—the company management, the provincial government, and the men; and each step must be reported back to cabinet. As I explained before, this slows matters somewhat, but it is sometimes better to make haste slowly than to reach a precipitate conclusion. We are doing everything we can to find a solution to this problem, but I cannot make a report at the moment.

Mr. Sinclair: The minister says it is sometimes better to make haste slowly, but with Britannia time runs out in two weeks.

Mr. Fulton: The minister understands that perfectly.

[Mr. Green.]

BRITISH COLUMBIA—REQUEST FOR FEDERAL ASSISTANCE IN ROAD BUILDING PROGRAM

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 Northern Affairs and National Resources. What has the government undertaken or what does it contemplate by way of emergency federal assistance to the British Columbia government to launch a forest access and fire protection road building program to give winter work to loggers?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I was given a copy of this question just as I came into the house. All I can say at this time is that no request for assistance has been received from the British Columbia government for such a program in connection with the forest resources of the province.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, may I ask a supplementary question. If such a request is received will it receive favourable consideration?

Mr. Speaker: Order. I think the hon. member for Kootenay West knows that we do not spend time on hypothetical questions. The hon. member for Rosthern.

AGRICULTURE

INQUIRY AS TO APPOINTMENT OF ROYAL COMMISSION TO INVESTIGATE PRICE SPREADS

On the orders of the day:

Mr. W. A. Tucker (Rosthern): Mr. Speaker, may I ask the house leader whether the government soon will be making an announcement in regard to the proposed royal commission to investigate agricultural price spreads, which was promised quite a long time ago?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, we hope to be able to make an announcement at a very early date.

TRADE

REQUEST FOR FURTHER REPORT ON MISSION TO COMMUNIST CHINA

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): I should like to direct a question to the Minister of Trade and Commerce. I wonder whether the minister is in a position to further advise the house as to the possibility of trade with China resulting from the visit of the trade mission to that country.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I gave all the information that was available to me when I reported to the house yesterday.

Mr. W. A. Tucker (Rosthern): May I direct a supplementary question to the Minister of Trade and Commerce. He indicated yesterday that the report he had received from our trade commissioner in Hong Kong on his mission to communist China was a preliminary report. Can the minister indicate to the house when the final report will be received, or when he will be able to make a statement to the house as to the possibility of increasing trade with communist China?

Mr. Churchill: Mr. Speaker, some time will elapse before I am in a position to make that report. I read the preliminary report of Mr. Forsyth-Smith, and I was very much impressed with the care and attention he gave to his trip to China and his consultations with the people in charge of import and export trade in that country. After the report on each of his visits with these persons he listed a number of follow-up matters that should be attended to, and under one of them I think he listed 12 additional things that would have to be done by way of correspondence, visits or the obtaining of extra information. It is a very comprehensive outline of what he thinks needs to be done before he can make his final report. I think some time will elapse before his detailed report is available to us.

Mr. Pearson: May I ask a supplementary question. Was the trade commissioner in Hong Kong accompanied by an officer of the Department of External Affairs on this mission to Peking?

Mr. Churchill: That was the information I gave the house some considerable time ago.

Mr. W. M. Benidickson (Kenora-Rainy River): May I ask a supplementary question. Did the Canadian representatives when visiting China raise the question of the unpaid liabilities under part II of the Export Credits Insurance Act?

Mr. Churchill: I did not notice anything of that nature in the preliminary report.

THE CANADIAN ECONOMY

ROYAL COMMISSION ON ENERGY—INQUIRY AS TO COMMENCEMENT OF SITTINGS

On the orders of the day:

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, I should like to direct a question to the house leader in connection with the royal commission on energy. Is the government yet in position to state when the first meeting of the committee is to be held? I might point out that I asked this question of the Prime Minister several weeks ago, and I cannot say an answer has been given to what seems to me to be a question of public interest.

Hon. Howard C. Green (Minister of Public Works): I cannot answer that today, Mr. Speaker.

Mr. Marler: I appreciate that.

Mr. Green: I will make inquiries, and if it is possible to give an answer in the course of next week I shall be glad to do so.

Hon. L. B. Pearson (Algoma East): I should like to direct a supplementary question to the minister. Will the hon. gentleman make inquiries as to whether the chairman of the commission is still in Brazil?

Mr. McIlraith: He is due back next week.

Mr. Green: It seems to me that the hon. member for Algoma East already knows the answer to the question.

Mr. Gauthier (Portneuf): Never mind; answer.

EXTERNAL AFFAIRS

INDONESIA—REQUEST FOR REPRESENTATIONS RESPECTING REPORTED THREAT TO PEACE

On the orders of the day:

Hon. L. B. Pearson (Algoma East): Mr. Speaker, may I ask the house leader, in the absence of the Secretary of State for External Affairs, whether the government will consider making representations to the Indonesian government, perhaps through diplomatic channels, in regard to the threat to peace and security in that area involved in the action being taken in Indonesia against Netherlands nationals and Netherlands interests?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, as all members of the house will realize, this is a very serious and difficult situation. I will be very glad to draw the suggestion of the hon. member for Algoma East to my colleague's attention.

HOUSE OF COMMONS

MR. PEARSON—BEST WISHES ON LEAVING TO ACCEPT NOBEL PRIZE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that the hon. member for Algoma East (Mr. Pearson) will leave today for Oslo to receive an honour which brings credit to him and to this country, I wonder whether it would not be appropriate for you, sir, to express on

our behalf in the House of Commons, as you did in another place the other evening, the fact that he carries with him the good wishes of us all.

Some hon. Members: Hear, hear.

Mr. Speaker: I am sure the response which hon. members have made to that suggestion will convey to the hon. member for Algoma East the good wishes of the house on the occasion of his trip which we all applaud so much, and which we recognized the other day in the dinner we tendered to him. I thank the hon. member for bringing it to the attention of the house.

Hon. L. B. Pearson (Algoma East): Thank you, Mr. Speaker. I shall regret my absence from the house next week.

SUPPLY

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

DEPARTMENT OF TRADE AND COMMERCE

General administration—

414. Departmental administration, $672,473.

Mr. Carter: Mr. Chairman, there are one or two observations I should like to make before this item carries. First of all I want to support fully everything that was said by my colleague the hon. member for Trinity-Conception yesterday with respect to the marketing of fresh fish.

I should like to say this word to the minister. While we commend his energy and enterprise in trying to promote increased trade with the United Kingdom and with the commonwealth, we are very much alarmed at the announced policy of diverting trade from the United States. We realize only too well that this policy is fraught with tremendous danger to our fresh fish industry, because it is supplying the powerful fish lobby in the United States with ammunition in their efforts to have our fish exports placed under quota and the tariffs against us increased. On two occasions they have almost succeeded in their attempt, and by announcing this policy of diverting trade from the United States we are cutting the ground completely from underneath the President of the United States, by whose efforts our situation has been saved on earlier occasions.

We have been awaiting the announcement of the Minister of Trade and Commerce with a great deal of interest, because in the speech from the throne we were told that the Conservative government would make every effort to expand markets for our fisheries products. I note that the list of members of the trade mission indicates that the people who have gone abroad are interested chiefly in buying and not in selling. Their main interest is in purchasing, I would gather, machinery such as could be used in the processing of fish or in the production of fish.

In this connection I should like to point out that there should be a very good field in the importation of marine diesel engines for our small fishing boats. This is one area in which the United Kingdom should be able to compete very successfully with the United States. The minister might also bear in mind that the federal government itself is quite a large purchaser of marine motors for the various patrol boats they have in operation. I can speak with some experience about the efficiency of the English-made marine diesels, because I have been using one myself for a number of months and have found it very satisfactory.

There is just one point which I think should be brought to the attention of the manufacturers, and that is that a marine diesel, however efficient and simple and however well engineered it may be, is only as reliable as the accessories. A marine diesel, however good it is, is no better than the water pump, because if that gives out then the engine is useless. I have found that there are some minor details in the accessories on these engines which could and should be improved.

We have heard a great deal in this house during this session about the marketing of wheat, and some of our colleagues from the west have put forward the claim that the wheat farmer is entitled to special consideration because his product happens to be marketed by a government agency, namely the wheat board. They have also gone on further to maintain that if the government has done a poor selling job in the marketing of that product, then the government should take the responsibility and provide special measures to protect the farmers from any resulting hardship. The measures which we have already passed this session would indicate that the government admits the validity of this argument.

I should like to take this opportunity of pointing out to my friends from the west that the wheat farmer is not unique in this respect, because the marketing of salt fish in Newfoundland is also done by a federal agency. Newfoundland Associated Fish Exporters, Limited is an organization that has the responsibility of marketing salt fish, and it is an agency that operates under the Department of Trade and Commerce and is responsible to the department for its functioning. Such strict control is exercised by this organization, which is commonly known

as NAFEL, that Newfoundland salt fish cannot be shipped even from one province to another in Canada without its permission.

Some fishermen have asserted that losses have been suffered owing to this control, which forces them to accept from local buyers lower prices than they could have obtained from buyers on the mainland. Be that as it may, it is my duty on behalf of my constituents, most of whom are fishermen, to remind the government that their responsibility and obligation to the Newfoundland fishermen in respect of marketing salt fish is no less than their obligation to the prairie wheat farmers.

There has been over the years some evidence to indicate that NAFEL is not a particularly welcome child in the family of the Department of Trade and Commerce. At one time I think it was under the Department of Fisheries, and for some reason was transferred to the Department of Trade and Commerce; but it has always appeared to be somewhat of an unwelcome and unwanted child. In addition, from time to time rumours have cropped up that NAFEL's days are numbered.

In view of the promises made in the speech from the throne I was disappointed to note that the minister in his opening statement, to which I listened very carefully, had not a word to say about the marketing of fish. Nor did he say a word with regard to the status of the organization responsible for this. I hope when the minister replies he will clarify the situation and let us know exactly what the plans of his department are, whether NAFEL is going to continue or whether any changes in organization, status and functions are contemplated.

With respect to the marketing of salt fish, it would appear to me that there should be some opportunity in the British West Indies federation. That little family of colonies is now federated, and they will be faced with a hard struggle to stabilize their economy. If Canada could do something to help them, either as a Caribbean plan or as part of a minor Colombo plan, it is possible that by so doing we might indirectly be helping the marketing of our fish in that area.

I remember that prior to confederation Newfoundland had access to the Mediterranean markets because of a combination of circumstances which may be described as follows. We had in Newfoundland a surplus of dollars and we had in London a sterling debt, so we were able to sell our fish for sterling in the Mediterranean markets and use the money thus acquired to offset our sterling debt, while the government paid our Newfoundland fishermen in Newfoundland dollars.

It is possible that the West Indies may also have a sterling debt, and I am wondering whether anything could be done to see whether Canada could afford to take responsibility for part of that sterling debt and use it in the same way as the Newfoundland sterling debt was used prior to confederation. I do not know whether or not this is economically feasible, but I think it is something which should be explored.

There should be more opportunity for selling our fish in the Brazilian market. In the old days Brazil was one of our main markets for salt fish and they consumed about half a million quintals of salt fish a year. That trade has now shrunk to practically nothing, although cod is still regarded as a delicacy in that country. We know that Brazil has been having economic troubles, but here again it is possible we might be able to do something to help stabilize Brazil's economy and thereby increase the sales of salt fish in that country.

I heard some reference to a trade mission this morning. If a trade mission is already in South America it might explore this possibility. I also wonder whether the minister could not intruct part of the trade mission now in the United Kingdom to extend its tour to the Mediterranean to see what can be done about expanding our sales of fish in that area.

There is another thing which the government should do as part of an effort to expand our market for fish, and that is to assist in increasing the domestic market. This requires an expenditure on promotion and advertising which is far beyond the capacity of the individuals and individual firms engaged in the industry. The government could help in this respect either by outright grants or by making income tax concessions in respect of money spent for this purpose, in the same way it has helped the shipbuilding industry.

Although all hon. members of this house who have been here for some time have enjoyed delicious meals put up by the fisheries laboratory, the good results do not, unfortunately, become widely known in the country, and the effort does not have the advertising value it should. I think this effort would be more effective if the government would sponsor an expert cook who would travel around the country and give demonstrations in the large department stores such as the five and ten, the supermarkets, and general chain stores such as Loblaws. I believe something along this line could tremendously expand the sale of our fresh fish.

Another matter which I think might be profitably explored is the question of a freight subsidy on the Canex container, the

special shipping cointainer developed by the research department of the Canadian National Railways. This is a container capable of keeping fresh fish in good condition for longer than 72 hours. As everyone knows, unfrozen fresh fish is much superior to frozen fish, and in the large domestic markets such as Montreal and Toronto unfrozen fish command the most ready sale. If we could use this container to push the unfrozen fish as far west as Winnipeg it would be greatly to the advantage of the industry, but the companies engaged in the marketing of fish have shown little or no enthusiasm about this container, though the fact that it does ensure a superior product has been demonstrated over and over again in the increased sales which have resulted at Eatons in Toronto and other places where the Canex brand product is marketed.

Finally, Mr. Chairman, I should like to speak of the use of trade as an ideological weapon. A few days ago we were discussing defence and the Soviet policy of using trade as an ideological weapon. I think we could take a leaf out of Russia's book and note how their trade is conducted so as to attain ideological objectives. For example, Russia bought rubber from southeast Asia at a price which was higher than the market price, and sold them goods at less than market price, and by doing so tied the economy of these countries to that of Soviet Russia. At the same time they earned a great deal of good will. In their trade with Egypt, Russia has managed to secure a mortgage on the cotton crop for a number of years, thereby tying the economy of Egypt to her own and at the same time posing as Egypt's best friend. There are infinite possibilities in this direction which could be used to advantage by the democratic countries in this ideological struggle, and I should like to ask the minister to make sure that every opportunity in this respect will be fully explored.

Mr. Hansell: Mr. Chairman, before the item carries I would like to say a few words with respect to this first item in the minister's estimates and offer some observations on trade which I have been able to make in the last little while, particularly since the present government took office some few months ago. I am putting on record my impressions respecting the endeavours of the government to promote foreign trade, which impressions I believe are held by a great many people in Canada.

The other day we listened to the Minister of Trade and Commerce tell us something about the 50-man trade mission that is presently in the United Kingdom. The minister headed the mission initially, and I understand he is soon to return to the United Kingdom. However, when the minister came back to the house following his first visit it was only natural for us to expect that he would make a statement as to how the mission was getting along over there. Well, I listened, as I am sure other hon. members must have listened, waiting with some interest for a report as to how Canada was actually going to benefit as a result of this trade mission. The minister made a nice little speech, a pleasant and innocuous little announcement, but what did it amount to in the end? That was what I asked myself. He told us about the wonderful reception the trade mission received from the British industrialists and the British people in general, and I told myself that was only natural. He told of the intense interest that was taken by British manufacturers and industrialists in this trade mission.

I could not help but ask myself, "Why should they not take an interest in this trade mission? After all, they have something to sell and this trade mission is visiting that country with a view to buying". I am quite certain that if any hon. member were in the market for a car there is a strong possibility that every car dealer in his community would be very congenial with him. They would fall all over themselves to give him service if he went to the garages, simply because they had something to sell.

The minister also told us that the mission had received approximately 700 letters from British firms desiring some consideration. Well, once again I had to ask myself, "Why should they not write in?" Once again, those 700 British manufacturers have something to sell, and here was a Canadian trade mission going to the United Kingdom to see what they could buy. The minister told about the marvellous recovery the British had made since the war by way of overcoming the damage that had been caused. That was a courteous observation, but I fail to see that anything was accomplished by his making that comment, because it is something we all know. He also told of the progress that had been made in industrial areas by reason of automation. That too, is general knowledge.

The minister spoke to us as though he had returned to his family and were reporting on a fine trip he had made, telling us what he had seen on his sightseeing tour. He described the wonderful apprenticeship system they have in England and about the courses that are given to managerial staffs and so on. That was all very well, but I think we awaited something different from that. He

spoke of the very warm feeling there was in respect to this mission. Here again it is understandable. The British people have everything to gain from the mission being there, because they have something to sell. We are potential customers, and a warm feeling is to be expected.

All I can say with regard to the minister's report is that we had good reason to look forward to a different kind of announcement than the minister made. We should ask the minister at this time what this mission is actually going to accomplish in the long run. We are going to watch the minister very carefully in the future with high expectations, because if he does not come through with a better report than the one he gave the other day we can only conclude that somebody went over to the United Kingdom on one big joyride at the expense of the taxpayers. I say this because a great deal of publicity has been given to this 50-man trade mission.

Mr. Benidickson: The taxpayers helped to provide that, too.

Mr. Hansell: I have no doubt they did. The amount of publicity that has been given to what I would describe as these concocted schemes and excursions is even more than my imagination could have been stretched to comprehend a few months ago.

Not so long ago the Prime Minister attended a conference and blasted United States trade policy. I do not know how he expected that blast would assist in keeping us on good terms with our United States friends. When I read accounts of it in the newspapers it appeared as though he was a very courageous man, but I asked myself why he was not equally courageous a year or two ago, because the same policies have been in existence in the United States for quite some time.

After taking office the government called a conference with our United Kingdom friends who came to Canada to discuss trade, and much publicity was given to that conference. I am afraid I had to conclude it was just a lot of window dressing, because I failed to see what was accomplished in concrete terms by that conference. We are advised that there is going to be another conference next year. Well, this means more publicity and more carrots being dangled in front of the taxpayer donkey in order to hopefully lead it to believe that some day it might get a little nibble at the carrot.

Mr. MacInnis: Is that the way you regard the taxpayer of Canada?

Mr. Hansell: If the taxpayer falls for it he deserves to be called that.

Mr. Smith (Calgary South): You are in trouble now.

Mr. Hansell: That is the situation as I see it, and some day or other the Canadian people are going to wake up to the fact that there has been a lot of window dressing. This trade mission and the conferences to which I have referred are big deal stuff and constitute a great show, but what we want to see is—

Mr. Cardiff: Tax reductions?

Mr. Hansell: —what volume of Canadian goods are sold as a result of these undertakings. That is what the Canadian people are looking for. A short time ago during the question period I asked the minister when we might expect him to say something about the tangible success of his trip to the United Kingdom some months ago, when he went over there to try to sell some of our wheat. He said he would be making an announcement shortly.

Well, I waited shortly; I waited a little longer than shortly, and we did not hear anything. I thought well, of course, he is going to make his announcement when his estimates come up for discussion. Well, he talked about his 50-man trade mission and gave us a few facts and figures which, of course, can always be made to look rosy if you present them in the proper way, although I do not think they were so rosy. But I expected him then to say something about the success of his trip to the United Kingdom to sell some of our wheat. What did we hear? Nary a word.

The minister owes it to the people of Canada, particularly to the three prairie provinces, to tell us something of the success of his trip to the United Kingdom some months ago when he went there to sell our wheat. After all, some of us come from wheat-growing sections of this country, and I believe it is time that we heard how successful the minister has been in the disposal of the vast surpluses of grain which we have out west.

To get back to this 50-man trade commission that is in the United Kingdom now, I say it is a lot of window dressing. I say that for this reason. It is pleasant to say that a 50-man trade commission is there. Oh, it is a big mission; it surely is. Fifty men go over there to buy something. To me that indicates that somebody has failed. We have our embassy there; we have our trade commissioner there. Even some of the provinces have offices there. They are attempting to carry on a bit of trade and to promote proper relations between our country and another.

Well, what have those trade commissioners been doing if it is necessary now to send over 50 prominent people from Canada to see what we can buy from them? Not only do we have our trade commissioners and our embassies, but we have other things as well. Very often we spend money on international trade fairs. What for? To put on a show so that people can come and see what we have to sell and we can see what they have to sell us. Some of these things have been done in the past. Industrialists and manufacturers here have their advertising matter, and people in Great Britain have their advertising matter. Frankly, I do not see why 50 men have to go over to England to discover what there is there that we can buy.

I say once again it is a great big show, big deal stuff, something to try to indicate to the people that this government is doing things. Well, we will just bide our time; we will wait for a little while and we will just see what is actually accomplished beyond the big deal, the big show stuff.

There is one thing that strikes me in respect of foreign trade that is extremely important. After all, Mr. Chairman, when you boil this foreign trade business right down to what it actually is it means nothing more or less than swapping goods because when we buy from England we give them dollars in payment. They use those dollars to buy our goods. Therefore in the end it is only an exchange of goods. Might I interject here, Mr. Chairman, that even though we buy several million dollars worth of goods from the United Kingdom and pay them in our dollars, there is no guarantee that those dollars are going to be used to buy our goods. But suppose they are used to buy our goods. In the end it is only a matter of swapping Canadian goods for British manufactured goods.

The one important thing that is necessary is whether our own people in Canada have the purchasing power to buy those goods when they arrive here. Whether it is Canadian goods or goods that come into the country, have our own people the purchasing power to buy them? That is the important thing, and that is the one thing the government will have to answer for, because today the purchasing power of the dollar is less than it has been in the past. Furthermore, because of the problems of unemployment and reduced incomes, the people have less money with which to buy those goods, whether they are British manufactured goods or Canadian manufactured goods, and that is the thing that this group is interested in. Foreign trade will very largely take care of itself if our own people have the purchasing power. In this group our whole monetary concept is that if the people themselves have the required purchasing power, the money with which to buy the goods, industry will be cared for. If there is that continual supply of purchasing power going into the hands of the consumers our standard of living can be just as high as the productive capacity of the nation can make it.

These are the very few words I wanted to say. We are reminding the minister that he will have to come before parliament again sooner or later and give an answer for the big show they are putting on at the present time. Things are not too well in Canada, Mr. Chairman. They are not too well because of the surplus of agricultural products; they are not too well because of growing unemployment and reduced incomes. What the people of Canada want is more than show. They want action that will put money in their pockets in order that they might enjoy the highest standard of living.

The government may not like the policy that has been adopted by the United States. Well, I do not know. I have never been able to bring myself to the point where I can seriously criticize the United States for their trading policy in respect of their surplus agricultural products. I have never been able to do that. The Prime Minister can criticize and let off some blasts. The Minister of Finance can go down to Florida and talk to the investment dealers there and again blast our good neighbours to the south. They can do all the blasting they wish, but what the United States has done can be summed up in two ways. They brought into existence their commodity credits corporation. They decided to take all the agricultural products that were in surplus off the hands of the farmers and pay the farmers for them.

Well, they piled up large agricultural surpluses. They had them. What were they to do with them? Well, they simply went out into the world and asked the needy nations to take them if they wanted them, take them now and talk about paying for them afterwards. That is all they did. It may not be just as orthodox as some of our own people in the government may want, but two things were done. One was that the farmer was reasonably satisfied. He was paid for his surplus products. The other thing is that somebody bought those products and some of the border-line nations were evidently the recipients of foodstuffs. There is nothing wrong with satisfying your own people and helping to feed the hungry.

You can talk about U.S. trade policies all you like; you can talk about them hurdling

agreements all you like; you can talk about them taking advantage of escape clauses all you like, but two things stand out in my mind. United States farmers were reasonably cared for in the face of the surplus problem, and some of the hungry nations were fed. I do not think that would have been a bad record for any Canadian government, whether Liberal or Conservative, to have hung on it. Our farmers would be satisfied too if they were paid for their production that is in surplus, and they would be very pleased to know that those surpluses had been used to feed some of the hungry nations of the world.

I realize that the minister has his problems, and I do not want to be too harsh with him. We are going to give him time; but once again before taking my seat I say that rather than the "big show" we want to know what results are actually accomplished, and whether or not the people of Canada are going to have the purchasing power to buy that which is available.

Mr. Harrison: Mr. Chairman, it is a pleasure for me to rise in a debate that is very important not only to western Canada but to Canada generally, and discuss some of the policies being followed at the moment to generate more trade. The difference between prosperity and the reverse is our ability to trade successfully with other nations. When we are able to do that successfully we have prosperity in the country, and when we are not able to do so we have difficult times. Maybe that is why in the past we have always thought of Tory times as hard times. In years gone by the Tories have not been too successful in trading with other nations.

When I look at the program we have before us now it strikes me as very similar to some we have seen before. To summarize, as I see it, this is a five point program. First the Prime Minister went to England to a prime ministers' conference, where he indicated to the British that he wanted to increase trade with that country, and in order to do so he would naturally have to remove at least some of the barriers that exist. If you want to increase the flow of anything you take away any impediments that may be in the way, whether it is a question of rivers or trade. That was the first point.

Second, the Prime Minister invited a British delegation to Mont Tremblant to discuss these proposals and to make arrangements for a commonwealth conference next year. Third, we had the Canadian trade mission of four cabinet ministers who went to Washington to discuss trade with the United States. The fourth step was the three-week visit to Great Britain of the 50-man trade mission in order to buy British goods. Fifth, there is the commonwealth trade conference next year. We can discuss the first four because they are all completed or nearly so but the fifth, the commonwealth trade conference, we can only discuss on a crystal ball basis.

With regard to the first, the Prime Minister's trip to Great Britain, I think his speech there to the effect that he wanted to increase trade was very laudable. I am sorry that what he said there has not been backed up by what has transpired since. He said he wanted to increase trade with that nation and they took him at his word. When they came to the Mont Tremblant conference later they said that if he wanted to remove restrictions—and that is the only way you can increase trade—why not have maximum trade by removing all restrictions? There is every indication that both he and the Minister of Finance, who attended the Mont Tremblant conference, took to the woods as soon as that was mentioned. Two or three days later Mr. Thorneycroft and the other members of the British delegation came to Ottawa, and they got a very cold reception as far as that proposition was concerned.

Knowing the Conservative tradition of being a high tariff party I can understand that, but I think there has to be some revision of thinking on the other side of the house. We are entering new phases as far as trading is concerned, and one that should give them pause is the new European free trade area comprising six countries, Great Britain, West Germany, France, Holland, Italy and Belgium. I understand that their free trade agreement goes into effect on January 1, 1958, and involves a 10-year process before complete free trade is assured among them. But once this European free trade community is in operation it will mean a market of 160 million people, very similar to what we have across the border in the United States, which is regarded as the best market in all the world. Possibly the 160 million people in the European market are not as prosperous as those south of the border, but still they are prosperous indeed.

When the new concept of trading comes into effect in Europe one thing we will have to look at is the fact that the old Tory practice of increasing tariffs, for instance, against British textiles or anything else will at once affect this large free trade area and any counter measures that may be taken by them will be taken as a unit. In other words, if we take measures against West German products coming into this market we will incur the ire of Great Britain and all the

other nations in that union. In one way or another these six countries have pooled their sovereign rights as far as trade is concerned, and they are going to permit goods to move freely among them.

This sets up an altogether new concept. It makes the old Conservative idea of imposing high tariffs as obsolete as Sputnik makes our military equipment. I think there has to be some revision of thinking on the other side of the house.

I come now to the Canadian trade mission to the United States, and I am not going to waste too much time on it because I think the futility that accompanied it is quite evident. However, I should like to say something about the manner in which the United States was approached. I refer to the big stick attitude of telling these people what they are going to do. The United States is Canada's best customer, and this is a strange attitude to use with a good customer. I used to be in a mercantile business myself, and I never tried to attract people into my establishment by waving a big stick and telling them what they were going to do. It must be remembered that the customer is always right, and that is something you have to keep in mind if you want your business to be satisfactory or to increase your trade.

I believe the present Minister of Trade and Commerce would be a fairly good salesman if he were not placed somewhat within a strait-jacket by the policies of his party. He has to make some display of trying to obtain some business, for instance in the United Kingdom from whom he wants to import goods, but when it comes to actually accomplishing that he runs into the policies of his own party. It is rather difficult for him to carry that attempt to any conclusion.

I would suggest that if any future mission to a nation with which we are trying to improve our trade relations includes the Minister of Finance—I do not mean this in any sense derogatory to the Minister of Finance, because I appreciate many of his good qualities —he should go in an advisory capacity. The minister's good qualities do not include those that are required of a good salesman. A good salesman must possess the ability to meet the public in an affable way and not, should I say, with the belligerent attitude the minister often displays. He would be an excellent man on one of these missions as an adviser, but he should not be allowed, in my estimation, to meet the actual customers.

The wreckage of the trade effort so far as the United States is concerned is apparent to anyone. Instead of giving us any concessions they have gone out since and bored still further into our grain markets. One of the outstanding examples of this has been the recent trip of the United States secretary of agriculture to Japan.

I come to the fourth matter, and that is the 50-man trade mission to Great Britain. I listened to the hon. member for Macleod, and I agreed with much of what he said. In fact he stole some of the things I intended to say with regard to the mission. However, if one looks at this window dressing, as the hon. member for Macleod called it, what does one find? A list of the members of this trade mission was printed as an appendix to *Hansard* of December 2. This list does not mean very much to me, but I find there are 14 people who say they are interested in textiles.

I find some strange people who are apparently interested in textiles. The minister told us that the purpose of this mission was to buy goods from Britain, not to sell goods. It is interesting to see the list of those who apparently show a marked interest in buying textiles. I find, for instance, that the president of Shawinigan Engineering Company in Montreal is interested in textiles. I do not know whether or not his company wishes to deal in textiles or whether he might be more likely a director of some textile organization. Perhaps there is a reasonable answer to that; I do not know.

Then going down the list we find the president of the Canadian Manufacturers' Association. I have never heard that the Canadian Manufacturers' Association advocated bringing British goods into the country. They are interested only in shutting them out. Then there is the president of Marsland Engineering Company Limited and Marsland Precision Equipment Limited. He is interested in textile manufacturing. Perhaps there is a good reason why he is interested; I do not know. However, in my opinion there is some suspicion that he may be connected with some textile mill somewhere.

I do not want to bore the committee with the details, but according to the list there are 14 people who claim to be interested in textiles. I find it difficult to believe they are interested in bringing textiles here from Great Britain. Consequently the minister has not been able to tell us one thing that was purchased as a result of this junket of 50 men over to Great Britain.

There is, however, one member included in this mission, the chairman of Ontario hydro, who would seem to be a sensible inclusion. Before he left he said he had already purchased quite a lot of electrical equipment in Great Britain for Ontario hydro, and was interested in purchasing more. People in this category are sensible inclusions in such a mission.

I understand, too, that three heads of agricultural organizations in Canada were members of the mission. This would seem to be a sensible inclusion. In making his statement to the house the other day the minister told us that these three gentlemen had been able to talk with their counterparts in Great Britain, in other words with the heads of some agricultural organizations in Great Britain. If I know the heads of Canadian agricultural organizations they would be interested in only one thing, and that would be selling some of their agricultural products. I do not know what good it would do them to talk to their counterparts in Great Britain.

The other day the hon. member for Dauphin asked the minister if he had talked with Sir David Eccles during his trip to Great Britain concerning the free trade offer. The minister said he had not talked with Sir David Eccles. In his announcement to us previously the minister said that Sir David Eccles had arranged this whole trip and, as I understood him, they had been accompanied by Sir David Eccles. If the government is really as interested in doing business with Great Britain as this window dressing would indicate, one would think the minister would discuss this free trade deal with Great Britain with Sir David Eccles at the first opportunity, since he is his British opposite and the head of the Board of Trade.

As I understand it the door is still open on that proposal. I feel that the government should take another look at getting in that door before it is closed. We have never received an offer like this before. With the possibility of this new European free trade area being established, and the fact that this may change the trade pattern, we might not be given too many opportunities to take advantage of a proposal of that nature. These events indicate that tariff walls have had their day and are a thing of the past.

I should like to mention the commonwealth trade conference that is to be held next year. As I said, this is something concerning which one would have to look into a crystal ball. The only thing by which we can judge this forecast is the fact that previous Conservative governments, on assuming office, have always held out great hopes for commonwealth trade conferences. I think the last one was a British trade conference. Forecast benefits of these conferences, however, have not materialized. It is doubtful, in view of the attitude now being shown, whether any material benefit will accrue from this proposal.

In order to get the opinion of the rank and file of the Conservative party and what they think of any proposals for actually increasing trade with Great Britain, I was interested in the remarks of the hon. member for Lincoln yesterday. He is the Conservative member who spoke for that party at the beginning of the discussions on trade. As reported at page 1990 of *Hansard* of yesterday he said in part:

> We are buying too much from abroad and causing unemployment in our own country.

Then he went on to say this:

> I have great confidence in our new Minister of Trade and Commerce. I wish him well and I am sure that if he approaches matters, as I say, in a sympathetic and realistic manner, we shall have success.

He also pointed out their road to success, namely to keep out goods from any other country.

I would suggest to you, Mr. Chairman, that as to all these items I have mentioned, this five point program that is supposed to increase our trade goes just so far and no farther in doing actual good and in doing what it proposes to do. The program is prevented from going any further by the ideas of the hon. member whom I have just quoted, and I do not doubt that those ideas are entertained by a great number of other supporters of the government. But some show must be made to the country as a whole that they are doing something. Hence you have what the hon. member for Macleod calls window dressing; and it is window dressing in some instances, such as the 50-man mission to Great Britain, which is a rather expensive facade but is not likely to do much in the line of bringing goods from Great Britain to Canada as it was sent there to do.

In his remarks the minister said—and I obtained this from *Hansard*—that they will assist Great Britain to attain more markets here in Canada. There is only one way by which they can attain more markets here in Canada, and that is by reducing the tariff we have against Great Britain to an even lower point. That would bring more goods into Canada.

That brings us, then, to the point of this trade switch which the Tory party thinks is a great idea. I have wondered why more people have not taken a hard look at this side of it. When you start to switch $600 million of trade from the United States, which is what the 15 per cent amounts to which the Prime Minister wants to switch and which he announced was the amount they would switch; when you superimpose that amount on the trade we are now doing with Great Britain of something over $400 million a year, you are asking Great Britain to deliver us $1 billion worth of goods in a single year.

In his remarks to us the minister told of his trip to Great Britain; that he found that Great Britain was fully recovered from the war; that business was humming along in high gear, and that there was a great advance in automation over there. He did not tell us that he saw any unemployment there. Hence we understand that every man in Great Britain is fully employed, that their industry is running along at a good clip, and that they are making all the goods they can possibly make. They have no surplus of goods at all. They have a backlog of orders at all times over there waiting to be filled.

To ask them to increase their shipments to Canada is one thing, but there must be some reason why they are not doing that now of their own accord. I would suggest that maybe the reason is that they have markets where competition is not as keen as it is in Canada, and that they are selling more beneficially as far as they are concerned possibly in some sterling areas. I suggest that this is the main reason they are not shipping more to us at the present time. They just have not the productive capacity to handle the extra trade that our Prime Minister suggests.

This is something that should be obvious even to the man in the street. Certainly it will be obvious to the man in the street in Great Britain that they are producing to the utmost at the present time. When somebody offers them $600 million more of a market, while it sounds very good, maybe they have not the goods with which to supply that market. In order to supply it they would be obliged to take trade away from some other areas where, as I said, they are already doing business on a very satisfactory basis and against less competition than we have in this country.

I think I have fairly well covered what I intended to cover, but I should like to make these further observations with regard to the minister's opening remarks yesterday. He indicated that we are suffering from a down trend in some of our trade which includes lumber, copper and aircraft, and that we have an adverse trade balance with the United States as compared with last year of $100 million. Our exports to Great Britain are down $55 million.

Before concluding I should like to ask him this question. If, as he says, he wants to assist Great Britain to gain more markets here in Canada, something which I think there is some doubt that he will be able to do for the reasons I have just given, does this mean a lowering of the tariffs against Great Britain?

[Mr. Harrison.]

I might say also that we are very much interested in uranium. I wonder what he has in mind as a forecast for the uranium industry. I know that in Great Britain it has been indicated that uranium is going to be a considerable import, as far as they are concerned, for the next generation. I wonder whether he would indicate, when he replies, just what the position of uranium is going to be, having regard to our world exports.

Mr. Montgomery: I had no intention of taking part in this debate on this item, Mr. Chairman, and I do not propose to take very long. But having listened to some of the remarks of hon. members, may I say that it sounded as though there was a great deal of frustration among many of the members who were speaking, or else they were trying to make political capital out of something at this stage which might or might not be justified.

There is another reason that I should like to say a word, and it is this. I should like to congratulate my long-time personal friend the minister and compliment him on the efforts he has been making in his new office in the short time he has occupied it. The Department of Trade and Commerce for which he is responsible is a very difficult one to administer, I am sure, and one at which the people all over Canada are looking. A great many people are ready to criticize him. A great many expect him to pull rabbits out of a hat. But having roomed with him, lived with him for a while and worked with him, I want to say that I do not know of a more sincere and honest man or a better one to be in charge of this department. I wish him all success. He is not going to have an easy road. Even from listening to the speeches made this morning I suspect it is not going to be made any easier by a great many members of this house.

I pick up a newspaper, and I should like to refer to it because it reflects my own feelings. This was written by George Bain and it is printed in the Toronto *Globe and Mail* of December 4. Many of the members of this trade mission did not know the minister before they started on their mission. This is what Mr. Bain says:

> To most of the businessmen in this group, the minister beforehand was largely unknown. The opinions they have formed of him in the time they have been here have been unanimously good. They like the quiet way in which he has been putting across the purposes of the mission. Mr. Churchill falls somewhat short of being a spell-binding orator, but his hosts in this country—

—referring to the old country—

> —have been impressed, and they have said so, with the good sense, sincerity and friendly good humour of his speeches.

I think that is a great compliment to a member of our government, and I am glad it was paid by the people of Great Britain to a friend of mine and to a minister of the Conservative government.

A lot has been said about this trade mission. As a matter of fact I rather liked the way in which the hon. member for Meadow Lake, who has just resumed his seat, criticized this mission. He did not speak with bitterness. He was sceptical, but at the same time his remarks did contain some suggestion of constructive criticism compared with those of the hon. member for Macleod who spoke previously, but who could think of nothing good which might come out of a trade mission sent to Great Britain or, for that matter, to any other country.

As a matter of fact one might infer from some of the speeches which have been made —speeches which, to me, cannot sound sincere —that they would like to see this government sit down and do nothing so this country might sink into a depression out of which they might make political capital and win success when the next election comes. I am sorry to say that some members of this house sound, though they may not think it themselves, as though they want to see the efforts of this mission end in disaster instead of success.

Surely it is too soon to expect the minister to be able to tell us or the country of any success which this mission may have by way of increasing trade. Though these people went on this mission primarily to investigate and to buy products made in the United Kingdom, I am sure that a significant result will be a two-way system of trade; and I believe the committee must agree that if a country is going to survive, if it is going to be prosperous, it must develop trade. We cannot close a wall around ourselves and keep quite separate from everybody else. We cannot live within ourselves and be prosperous in the world of today. We must have trade and, as the newspapers have said, this mission has been the greatest success, the greatest thing which has happened in the old country in the history of Canada, creating as it has new ties and new acquaintances. Canadian and British businessmen are getting together.

I should like to say at this point that though there has been a great deal of criticism in this house with regard to certain people who belong to certain industries in this country taking part in the mission, and though it has been suggested that they went over there with personal interests in mind to try to buy things which would put people out of employment in this country, I myself cannot think such a thing about the businessmen of Canada.

It may be true that businessmen are interested in their businesses, but I invite hon. members to look at the names of these gentlemen who have been selected across Canada. I believe they were selected because they were Canadians first, and that they are on this mission in the interests of Canada as well as in the interests of any business with which they may be connected.

I remember that the former government sent a mission to South America, I think it was. I remember that some time later there seemed to be good results from that mission. There may have been some criticism of it, but I do not think you will find in *Hansard* a record of any speech of mine where I have ever criticized such a mission as that. I think any government which undertakes such projects as these is doing something which is for the good of the country in the long run. If we do not undertake to do something we will never succeed in anything, and I believe that with the initiative and the youth and the energy of some of the younger members of this government, this country will receive great benefits from this trade mission.

It may be that some trade will be shifted from the United States to Britain, but is not competition the life of trade? If we continue to trade with one source all the time, even with our neighbour to the south, a monopoly begins to develop. I say that even in Canada some of these companies which have been allowed to build up and become great institutions—and I will mention the automobile industry—of which hon. members across the way were complaining bitterly a few days ago, there is evidence of this. Why should these companies need to raise their prices? I believe they could stand a little competition. I do not think they are suffering. I think competition is good, and that is why I believe that the more contacts we can make in Great Britain and in any other country, in order that competition with our neighbour to the south may be provided, the better business will become, not only with Britain but also with the United States.

The hon. member for Meadow Lake made a good statement, and one with which I am inclined to agree, when he said that in talking trade the customer is always right. All right. Who is the customer of the United States? Canada has been a customer of the United States. Then if that statement is true—and, as I say, I am inclined to agree that it is—is not Canada in a position to say to the United States that we do not think we are getting a square deal? I do not mean to be nasty, but are we not in a position to talk solid, sound business? That is what I believe our Prime Minister and the members of his government have been doing. They

have not been insulting the United States or any other country, as far as I can see; they have been talking as straightforward businessmen, and I am sure this is not going to hurt the trade of either country. I would gather from some of the speeches that have been made that some hon. members feel there should not be an exchange of trade, or that this mission at best is only going to create one-way trade. I do not agree with that statement. I think the more contact we make with any country the more business we can do without hurting our own country, and the more we are likely to sell to them.

Not long ago when I was fortunate enough to spend a few days abroad I heard it said that if we would accept British currency we could do a lot of business with that country. Obviously, if this is true, they must be prepared to do business. Another way of looking at it is that if we can buy from them we can also extend trade and we should be able to sell them more.

I think there are many good prospects, and much of value can come as a result of the trade mission visiting the United Kingdom. No one should expect to see great results within the next month or two. Miracles do not occur in the business world that fast. The minister should not be expected to be one of those who pull rabbits out of a hat, and I do not believe the Canadian people expect him to do so. They do, however, expect this government to busy itself in an attempt to increase trade, which is exactly what the government is doing and in time its efforts will bring success.

If I understood him correctly the hon. member for Meadow Lake said he concluded that the new government has a five point program, although he did not think it was being implemented in the right way. I was very pleased to hear the hon. member say that in the last five months he has come to realize that the government has a five point program, because I am afraid if one were to go back over the last 15 years under the Liberal administration one would not be able to find even a one point program. Perhaps I am a little unfair in saying this; one might find a one point program under that administration, but it will be good news for the people of this country that the hon. member for Meadow Lake observes a five point program in the present administration even though he criticizes it. This government has a dynamic program which it is rapidly implementing, and that is what the Canadian people elected this government to do.

Another important aspect of trade is that in the next few years prosperous firms in Great Britain may be able to establish branches in this country. We require capital, and is not British capital just as good as United States capital? One always associates quality with British-made products, and I feel that much good will come about as a result of the contact between the business leaders of Canadian industry and those of British industry as a result of the visit of this trade mission to the United Kingdom. This could very well lead to the establishment in Canada of branch companies of some of the old country industries.

Before taking my seat I wish to speak about the maritime provinces. We have in the Atlantic region good ports which are open the year round. We are well equipped to do business with countries across the ocean. We are all interested in increasing trade with the old country. We have raw materials to ship out, and the cheapest transportation is by water. Nothing but good can come as the result of increased trade between Canada and the United Kingdom, and its effects will benefit the Atlantic provinces.

Anything that will assist in increasing the prosperity of those provinces, encourage the building up of industry there and increase the exports of the many raw materials available should receive our wholehearted support. Perhaps the trade that will result will not be as large in volume as we would like to see, but I am convinced that benefit will come from the trade mission and the contacts and exchange of information accompanying it.

I would not expect to see tangible results before Christmas, and indeed it may be several months before results are evident. Businessmen are inclined to take their time about such things. I am not a businessman, but as a lawyer I have had some indirect connection with businessmen. I have found that they proceed rather carefully and thoroughly investigate the possibilities inherent in each situation, and I am satisfied that is what will happen in this case.

I congratulate the government on undertaking to send a trade mission to the United Kingdom in an exploratory way. If they buy goods from that country they will create opportunities for sales of Canadian goods, and the trade resulting will be a two-way road which will benefit this country. I congratulate the minister as an old friend, and wish him every success in his efforts.

Mr. Gardiner: Mr. Chairman, I am not going to attempt to enumerate the arguments advanced by the hon. member for Victoria-Carleton or to answer them directly. His address held my attention, particularly the part of it in which he commented favourably

upon those who had participated in the debate and had not introduced anything in the way of a narrow political nature into their discussion.

I thought I would not have to mention anything of that kind when the hon. member took his seat, but letting my memory drift back over the discussion that has taken place up to this point I find it somewhat difficult to remember anything that was said which was more politically narrow than the suggestion made by the hon. member for Victoria-Carleton to the effect that in the 22 years the Liberals were in office they had not produced even a one point program. That seems to me the essence of narrow political comment, and I am only going to leave it with hon. members of the committee to determine how correct it is.

I do wish, however, to join the hon. member in commenting upon the appointment of the Minister of Trade and Commerce. The appointment of the present minister fulfils a long-desired hope on the part of those who live in the prairie provinces. I thought we were never going to be favoured with the appointment of a minister of trade and commerce from the prairie provinces. In my time we have had ministers holding this portfolio come from every other part of Canada including British Columbia, but I do not recall one from the prairies. I want to not only congratulate the minister on his appointment but the prairies in having provided a minister of trade and commerce, because there are so many matters which come under that department that concern the people of the prairie region.

I sometimes had the feeling that because of the many things which come under the Department of Trade and Commerce it was going to be difficult to have a man from the prairie area appointed to the position, but now that we have one there are many people in western Canada who have high hopes about what will be accomplished through his performance while he is in office. I am not going to say anything today in discussing the questions which are before the committee which would be other than of some assistance to the minister in bringing about a condition that will be helpful to Canada, now that we have a minister from the prairie section in this post. I want sincerely to congratulate him on having been chosen Minister of Trade and Commerce.

The questions which have been up for discussion have raised a number of thoughts in my mind, the first one being the high level discussion between representatives of the government of the United States and representatives of the government of Canada. I recall the first such discussion which took place during the time we were in the government, and that it was suggested by the agricultural representative in Ottawa from the United States. We were discussing at that time matters which are very much in the mind of the last speaker, the hon. member for Victoria-Carleton, namely the shipment of potatoes into the United States. The chief discussion going on in the Senate in Washington was the importation of many potatoes which entered into competition with the production of United States' farmers.

Mr. Macdonnell: Will the hon. gentleman permit a question? Did I correctly understand him to say that the first negotiations between Canada and the United States on this question took place during the regime of the last government; nothing before that?

Mr. Gardiner: If I gave that impression it would be wrong, and I think that is the suggestion my hon. friend wishes to make.

Mr. Macdonnell: No, please.

Mr. Gardiner: I was not saying that, no.

Mr. Macdonnell: Please; I was asking purely as a matter of interest. I am ignorant of the matter myself and I wanted to know.

Mr. Gardiner: What I was saying was that these high level meetings between a committee of four members of the Canadian government and four members of the United States government had their origin in a discussion with regard to the potato question, and it was brought up by the agricultural representative from Washington who was stationed in Ottawa. He made the suggestion that we should have the secretary of agriculture of the United States come to Ottawa and discuss the question of potatoes with us.

Well, he came, and the minister of trade and commerce of that time and I met him. He was astonished to find the quantity of potatoes which were being shipped from the United States into this country. He did not really realize there was any such thing going on. I need only refer to the fact that it was only a short time ago that many more potatoes were coming into this country from the United States than were going from this country to the United States. At that time it was not quite in that position, but when the secretary of agriculture came here he asked us to send him back to Washington all the figures with regard to the matter, and he said, "I can assure you that when these facts are made known to the senators in the United States there will be little further discussion along that line". A result following his ideas was obtained at that time.

A year or so later there developed another question of a similar nature which we were concerned about and which the Americans were concerned about. We were shipping great quantities of oats into the United States; we were shipping them into Chicago, and at that time the state of Illinois and the other corn states around about had enormous surpluses of corn for livestock feeding. Then senators from those states rose in their places in their house and criticized the importation of these large quantities of oats right into the midst of an area where they had such great quantities of corn. Well, the discussions reached considerable heights of criticism, and then it was suggested to the Americans that it might be well for us to sit down and discuss such questions before they got to the floor either of the Senate of the United States or to the floor of this house here, and that we should understand one another's position prior to that.

The result was, as is known, that we did have two of those conferences before this government came into office, one in Washington and one in Ottawa. The same members of the government of the United States took part in those discussions, not the same individuals but those occupying the same positions, and the same departments were represented here.

We had two of those conferences, I think two years apart, before the present government came into office. The discussions which took place with regard to oats brought out the fact that after all there was need for feed oats in the eastern part of the United States, in the state of Maine and in other states in that section of the country where the production of corn was not in competition with oats at all, and where there would be no difficulty. Out of that kind of discussion we arrived at the idea that it would be a good thing to have such discussions periodically in order to settle some of the questions outstanding or to give full information to one another with regard to some of the discussions which might take place.

Well, I remember one of the criticisms made of that kind of meeting by the now Prime Minister when he was sitting on this side of the house. He said that we left Ottawa in silence, we sat in silence in Washington, and we returned to Ottawa in silence. Well, I only wish to suggest that in regard to a matter of that kind and taking into consideration some of the reports that came out about the last discussion, our purposes would have been just as well served if that discussion had been in silence, too.

The purpose of a meeting of this kind is not to have a lot of publicity all over the country as to what happens or what might happen. The purpose is to exchange information in a meeting which is usually held behind closed doors.

I think at the previous meeting we had there was a time toward the end when it was more or less thrown open and reports were given to the press. But the discussions themselves, at a meeting of that kind, are of necessity carried on behind closed doors and the results will be better if they are.

Therefore I do not take exactly the same attitude toward some of the discussions which have taken place recently as some others who may never have taken part in them. I do think we should fully understand what that kind of meeting was intended to be for when it was first set up and govern ourselves accordingly, in order to keep the records as straight as we possibly can as between this country and the country with which we have the greatest amount of trade.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Gardiner: Mr. Chairman, when the committee adjourned for lunch I had just opened a discussion of some ideas which I wish to present in connection with the estimates of trade and commerce. I suggested at that time that we in western Canada had reasons for being somewhat pleased with the fact that we have a minister of trade and commerce from the prairies. I had also referred to the fact that there had been Canadian missions to Washington and Washington missions to Ottawa for some four years prior to the coming into power of the present government and that during that period there had been two of these missions.

I did wish to say a word or two with regard to the other matter of the mission to Britain and to say what I would judge the minister already understands, that this is not the first occasion upon which missions of a similar nature have gone to Britain. I hesitate to say this because of some remarks made during other debates by one or two of the younger members of the house who seem to have some objection to going back 20, 30, or some other number of years in order to obtain illustrations as to what could happen in connection with similar missions now or anything else similar that happens at the present time. However, since I am the only member left in the house who was in the government when we came into power 22 years ago I think I should mention that we

did something similar to what has been done now. The minister of trade and commerce who was at that time Senator Euler; the minister of finance, who was at that time, Mr. Dunning, and I as minister of agriculture went to Britain. Our reason for going was the fact that in 1932 there had been one of these conferences which had determined many things that had influenced our trade with Britain. We went there to discuss that matter and to try to arrive at some conclusions as to what might be done in order to overcome some of the difficulties created.

One of them affected the selling of apples in Britain, another the selling of bacon and another the selling of wheat and other products. It is sometimes forgotten that we had 298 million bushels of wheat in storage in western Canada elevators and other elevators across Canada at the time we came into power 22 years ago. In other words, this is not the first time there has been a surplus of wheat in Canada. At a later date still we had some 600 or 700 million bushels and now we have about that amount again.

But on this occasion we went over to Britain for the purpose of discussing these problems and we had some rather extended discussions which began on the 14th of August of that year. After our return we sent over a delegation of eight men. Someone has objected to the present delegation having about 50 members, but on that occasion we did send a smaller delegation. They were only dealing with the sale of agricultural products and there were only eight men. I have here a report of that mission which I am not going to read. I brought it with me, however, in order to demonstrate that there is such a report. There is a report that I made personally with regard to agricultural matters and there is a report prepared by the delegation of eight who went over there and discussed agricultural marketing at that time.

Out of that there did grow something which I am going to call to the attention of the minister because it was more or less inoperative at the time the government changed. At that time it was recommended by this group that, apart from the representatives of the Department of Trade and Commerce, there should be representatives of agriculture in Great Britain and that their special mission should be that of seeing to it that more and more agricultural products were sold in Britain. I am not going into detail with regard to it other than to say that until we came to the end of the war that policy had obtained very good results. We did sell more and more products in Britain right down to the end of the war, but at that time it became necessary for one thing to re-establish the old provisions that had been set up under the conference of 1932 which meant that bacon and many other products had to be bought in considerable quantities from countries other than Canada. That has had some influence, although it has not been the greatest influence in the matter over there.

When the gentleman who was in charge of that set-up in Britain at the end of the war and for some time after the war was superannuated no successor was appointed. He retired not so many months ago and no one has been appointed to replace him. There is provision in the estimates of the Department of Agriculture for the appointment of a head of that organization, some of which is still there. I think that organization did good work and I think it could still do good work.

But my intention at the moment is simply to draw attention to the fact that there have been delegations sent before to obtain trade, sometimes led by the minister of trade and commerce, sometimes led by others. But it has been a function which has been carried out before, and the hon. member for Victoria-Carleton referred in his remarks to the mission that went to South America. I would say that some good can come out of these missions, but I think those that were sent before were largely sent for the purpose of selling Canadian products. As was intimated a few moments ago by the hon. member for Macleod should be the case, I believe they were sent for the purpose of selling Canadian products, we always believing that it was necessary not only to buy products from other countries but to sell products to them.

I wanted to bring these two matters to the attention of the house, first, the fact that we have had conferences with the Americans before and, second, that we did have these delegations go out to sell our products before and with considerable success. I also wanted to call attention to two or three statements made by the minister yesterday. The first is to be found on page 1968 of *Hansard* towards the bottom of the page and is in these words:

> Encouraging progress has thus been made toward two of the objectives of the present administration, the reduction of our large deficit on merchandise trade and the expansion of the share of our imports coming from the United Kingdom. We shall continue to pursue both these aims vigorously in the future.

In the next paragraph he goes on to state:

> I do not think any government in Canada's history has done so much in such a short time to implement its trade policies. Within a few days of assuming office the Prime Minister went to London—

We go on from there, and a little farther on in the same paragraph it is stated:

Indicating the importance we attach to our trade with the United States and other non-commonwealth countries, we met with Messrs. Dulles, Benson, Weeks and Anderson of the United States cabinet in Washington in October—

I have already referred to the fact that that kind of discussion had already taken place previously, but in commenting upon these statements I wish to call attention to the fact that our Canadian trade is very considerable. I am not going back to the beginning of the 22 years to point out how low it was at that time nor am I going to say it is only the fact that there was a Liberal government for 22 years that resulted in our trade being so greatly increased over that period. Many things have happened in the world during that period of time that have had their effect upon the trade of all countries. I am only going to say that certainly while we were here we did so guide the destinies of this country in connection with matters of that kind that Canada did progress as much as any other nation in the world.

I was not able to get the tables for the last ten months for both exports and imports, and therefore there will have to be some averaging done of the figures which I am going to place on *Hansard*. I was only able to get the exports for the last nine months and imports for the last ten months. I think if I use round figures the figure will be close enough to be the average of these two for nine and a half months. During that period of nine months up until September, 1957 our exports to the United Kingdom amounted to $544 million—I think $545 million would be about the correct figure. The exports to commonwealth countries other than the United Kingdom amounted to $165 million; exports to the United States, $2,123 million and to all other countries, $902 million.

I want to say in this connection that it is obvious our exports to the United States are almost four times what they are to the United Kingdom. There is not any comparison between our exports to the United States and our exports to other countries. We have much more in the way of export trade with the United States than we have with any other country.

In so far as imports are concerned, we imported from the United Kingdom commodities to the value of $407 million; from commonwealth countries, $183 million; from the United States, $3,493 million, and from other countries, $881 million. Again, it will be seen that our import trade with the United States is very much greater than our imports from any other country, as a matter of fact much greater than our imports from all other countries put together. In other words, there is no question but that the United States is not only our best customer but she also sells a great deal to us.

As a result of this fact many people would have us believe that trade with the United States contains some factors which might be harmful to us. I should like to deal with that question for a moment or two, and the question of the necessity for balances in trade and what is meant when we discuss balances in trade. I want to say that when you are dealing with a country such as ours, which is comparatively young and with a small population, and when you are comparing Canada with a country that is comparatively old, like Great Britain which has a population about four times as great as ours, balances of the kind that are sometimes talked about would appear to be more or less an impossibility. Then when we are dealing with a country as great as the United States, which lies alongside of us and has a population about ten times as great as ours and which, while not an old country is a very highly developed industrial country, talking about annual balances in trade is just a waste of time. It is just a waste of time to talk about balances in trade over a period of 12 months as between our country and either of these two countries; balances of that kind are an impossibility. The United Kingdom has 60 million people, is an old country and must import many of the primary products that it converts into commodities that the nations of the world require. This is an entirely different situation from the situation we have here. If one talks about balancing trade over a 12-months period, with such a country one is just attempting to bring about a condition of stagnation in one or both of these countries.

These remarks would be even more true if we applied them to a country like the United States. By way of illustration, I might point out that when the United States was developing in the sense that we are developing now, towards the beginning of the last century and even after the middle of the last century, a great deal of capital was invested in that country from the United Kingdom and elsewhere.

Not only was capital invested there, but some of the best experts in connection with industrial development, such as Carnegie, for example, went from the United Kingdom to the United States and took a very leading part in the development of the steel industry of that country. The same thing has got to

happen in this country if we are going to develop our natural resources here to the extent they should be developed. We must get capital from the outside. We must get experts from the outside. We must get technical experience from the outside, and that means bringing capital in the form of machines to this country and bringing all the expert knowledge here, to the extent it is required. I repeat that we are wasting our time when we continue to discuss the possibility of having balanced bilateral trade between two countries that are so entirely different as these countries, both in their development and in their populations.

We talk about balancing trade over a 12-month period. It will be very fortunate for this country or any other country if that trade balances over a 10-year period. It is more likely it will not balance in less than a 25-year period and, in connection with many aspects of trade, it may be even 100 years before there is a balance. In other words, the investment we are making now and the development that is taking place now will not be producing the commodities that are going to be sold for some considerable time, so I think we should keep that in mind when we are talking about these balances and when we are trying to arrive at conclusions that may be helpful.

I mentioned earlier that in the west we were somewhat pleased because we have a Minister of Trade and Commerce who is from the west. I say that because I want to call attention to the figures in connection with agriculture as they relate to these countries. The United States and Canada are located on the same continent. We are on the northern half of the continent, and the United States is on the southern half of the continent. We must, therefore, trade with one another in agricultural products and in the feed that is necessary to feed the livestock we have on this continent. If our continent were divided from north to south instead of from east to west, this type of trade would not be a necessity.

When we look at the figures we realize how important that trade is. The last year for which I was able to get figures before coming into the house shows that imports of agricultural products from the United States amounted to about $300 million and exports of Canadian products to the United States, $235 million. For most of the years one might look at they are almost in balance. We ship agricultural products to the United States to about the same value as the products the United States ships to us. We get from the United States citrus fruits and juices, cotton and that kind of thing. We get other products that we are not able to produce in this country. We send down there largely feed grains and livestock. Incidentally, their livestock enters into competition with our own livestock on American markets. We do send, too, a very considerable quantity of livestock products. The exports of feed grain amounted to $107 million and $87 million for livestock products. We have to be very careful in our discussions of matters of that kind that we do not give offence because that might result in shutting off some of that trade.

For example, the Minister of Agriculture, in replying to me yesterday, called attention to the fact that they had 360,000 cases of eggs when he took over. I did not say so in the house but I asked him outside the house if he thought I planned to turn them over to him.

As a matter of fact, I expected to head the organization that was going to sell them and I am very pleased to know that organization functioned so well even after I left the department as to sell them all before December 1 and leave us in exactly the same position as that in which we had been in the previous two years. This is not the first time we have had 360,000 cases of eggs under the control of the agricultural prices support board and on every occasion those eggs have been disposed of without giving any more difficulty than in 1957. That brings me to a remark that was made the other day by the hon. member for Lincoln. I just want to refer to that remark while I am on my feet. As reported at page 1989 of *Hansard* he said this:

> Canada's most unfavourable trade balance with the United States and other countries coupled with our tremendous surplus of farm produce was one of the main reasons that brought about the change of government on June 10.

The Acting Chairman (Mr. Rea): Order. I am sorry to interrupt the hon. member for Melville but I must advise him that his time has expired.

Mr. Gardiner: I have a little bit more to say but it would take me a minute or two to do so. I can do it later.

The Acting Chairman (Mr. Rea): Is it agreeable to the committee that the hon. member should be allowed an extension of time?

Some hon. Members: Agreed.

Mr. Gardiner: Just to finish this one point. The statement I have just read was made. With regard to that I would say that there is a possibility—and I think a very decided possibility—that the idea people had that there were great surpluses of agricultural products was one of the reasons some members lost their seats and that others won their seats. But I

want to point out that neither at that time nor at any other time in recent years has there been any troublesome surplus of these farm products in Canada at the end of any particular season during which the products were being produced and sold. The only one with regard to which there has been a troublesome surplus was wheat and it, of course, affects largely agriculture in the western part of Canada.

But as I pointed out a few moments ago, there is considerable trade between Canada and the United States in fruit products and vegetable products and other agricultural products and while they balance in total over each year there are periods of the year when, because of seasonal conditions in the two countries, the producers on this side of the line have some difficulty. We have attempted in the past to deal with that difficulty by having what we call seasonal duties. It depends on how well those are adjusted from time to time as to what effect they really have. You cannot set any definite date because the weather is not the same in different years and you have to adjust them from time to time. Some adjustments had to be made in connection with our trade with the United States just before the election. We made some of them in the early part of the spring.

I want to refer to this matter in order to answer another suggestion that was made by the Minister of Agriculture the other day. He told us that they brought in the provision that puts fowl under the Agricultural Prices Support Act. In order to be absolutely fair, I think what he intended to convey was that they really applied it. It was there before they came into office in the form of an order in council setting out the date on which it would come in as August 1.

Mr. Harkness: The fifteenth.

Mr. Gardiner: And that was marked up to the middle of July, I think. I would still maintain that that was something that was done previously, and it was done for a purpose. The reason was that we had too many grade A large eggs in Canada. Grade A large eggs are mostly laid by old hens. The older they get, the bigger the egg tends to be. That trade in fowl with the United States had developed into a position where old hens were selling in this country at higher prices than they were selling in the United States. Therefore something had to be done about the matter if we were not going to have this market flooded with United States old hens. The first thing that happened was what our soup makers in this country did. When you eat chicken soup, you may think you are eating young chicken, but you are really eating fowl or old hens. The soup makers found they could buy old hens in the United States more cheaply than they could buy them here because our price support system kept the price higher here. Therefore they bought old hens from the United States.

When our old hens were coming on the market a year ago it was found to be already supplied by United States old hens. Our old hens were left alive to lay grade A large eggs. In the spring of this year we undertook to deal with that situation. Old hens start to come on the market about August 1. So we said there was going to be a support price on Canadian old hens or fowl, that we would take them off the market and so deal with the situation as to lessen the number of grade A large eggs that were produced in this country. Apparently it has worked because it would not have been possible for all those eggs to be disposed of by December 1 if it had not worked. I therefore assume that it has worked. My hon. friend shakes his head. From that action I take it that he means there are still some of them around that are frozen; that is some of the eggs but they are not grade A large eggs. The eggs that are frozen are B grade eggs. We set a floor price on B grade eggs. It was that floor which took those eggs out of the way of the others and made it possible to sell the eggs that should go on this market.

I could go on and enumerate a number of cases of that kind but it is only to illustrate one point. We have this $235 million or more of exports of farm products to the United States annually and we import things like cotton, citrus fruit juices and so on to the extent of something between that and $300 million from year to year. One of the dangers of doing things which some people think you ought to do in connection with a matter of that kind is that you may actually kill the goose that lays the golden egg.

The biggest trade that the farmers of this country have with the United States is in cattle. What happened two or three weeks ago only goes to show how people are concerned about that trade. There has been an arrangement in connection with our cattle that has existed ever since 1947 under which cattle of 700 pounds or over can move into the United States at a duty of 1½ cents. Then when we get up to a certain number the duty goes up one cent. It went up the other day, or at least some cattle were being bought with that extra cent on and immediately every cattle producer in the country became concerned that there was going to be another cent duty on his cattle. Of course that was not the situation, as the minister explained to the house the other day. But it could very well become the situation.

Mr. Harkness: It is on now.

Mr. Gardiner: Yes, it is on now. It stays on until January 1 and then goes off, and again you have 120,000 cattle that can go down to the United States in the first quarter of the next year and in all probability there will not be any more than that go, if that many; so the dealers carry on until you get into the last quarter of the next year. If the extra amount is put on any cattle that it did not need to be put on, that money will be paid to the producer as time goes along.

All I am pointing out is that you have very important trade between the United States and this country in farm products and one of the products is cattle. Another is the lower grade of wheat, oats and barley, perhaps lower priced barley; because the barley that is used for malt does not go down for the purpose of feeding. But most of the barley that goes to the United States, most of the oats and much of the lower grades of grain go there to feed livestock. Anything that we do on this side of the line should not interfere in any way with that trade or should not give reason why the Americans may retaliate because of something that we do and bring about a condition in which that product could not be sold.

I have just one remark to make with regard to wheat. Not much has been said about wheat, but I want to say this. Our sale of wheat must be carried on, if it is going to be carried on successfully, in very much the same way as the sale of anything else is carried on. You must find somebody who wants it or needs it. You must find somebody who can pay for it, whether it be within the country or outside the country. It must be paid for if the board is going to be able to pay the producer.

But what I want to call attention to at the moment more than anything else is this: we have a system of our own of assembling our wheat. We have an elevator system, which is a costly way of storing wheat—a cent a bushel a month—and when we are paying out that much it is easy to run into a position where the highest cost to agriculture in the wheat growing country is paying storage on that grain. Two years ago we did something about this position and undertook to pay half that cost. It is an expensive way of doing things, but it is our way, and there are reasons for it.

But it is not the way in which grain is handled elsewhere except in a very few countries. And then, again, we have our own way of marketing wheat. We have a wheat board, and 90 per cent of the farmers in western Canada think that is the way in which it ought to be marketed. But I would call attention to the fact that when you get outside Canada and start selling you are dealing with customers who have not got these arrangements at all, who do not understand them, and who probably do not want to understand them.

For example, in every other country on the other side of the ocean you find men who earn their living selling grain. It is their livelihood, and if this grain is placed in such a way that these men cannot help to sell it we may find them competing with us; they are going to sell somebody's grain, because they cannot make a living without doing that. And so I think that when we send over delegations to promote sales of any commodity on the other side we should take these matters into consideration. I understand that the members of the commission now in the United Kingdom are not over there for the purpose of selling something but for the purpose of buying something, but I know that under this government or under some future government we will be sending over a mission to try to sell products, and they should take into consideration when they are doing that the methods which are used in those countries.

Belgium, Great Britain, the Scandinavian countries and other places where we sell our wheat have their own way of handling this business; we must work in with their plans in order to sell our products. So I would suggest to the minister that he should not only have commissions going overseas to buy, but have others going over to sell, and that these should always take into consideration both the methods of financing and the practices used in handling the product on the other side. I am sure the wheat board has been doing this to a very considerable extent over the years, and I am sure they should be encouraged to continue to do so, and if they continue this work we will be able to dispose of considerable quantities of our wheat.

I am not going to prophesy that all the wheat we have at present will be sold inside 12 months. I am not going to say that, although I did prophesy in 1940, when we had some hundreds of millions of bushels on hand, and when we were threatened with a total surplus of 600 million bushels, that when the war was over, or a year after, we would be 100 million bushels short. I was laughed at because of that statement; pamphlets were distributed all across Canada questioning the prophecy, but within a year after the war that is exactly the position we were in.

I will not attempt to prophesy again, because I was right that time and I might be wrong the next time. But, nevertheless,

that is a situation which is going to develop from time to time, and I think if we handle the situation as it should be handled, and if the wheat board promotes the selling of our wheat in co-operation with the people we are going to deal with we will eventually be able to dispose of our crop.

But up to the present time, since the present government came to office, we have not been too lucky or, shall I say, too fortunate, in our handling of wheat. I think that as time goes on we will be able to sell greater quantities, and I think we can only do that by developing the greatest possible co-operation with the two great countries with whom we are so closely associated in trade. First, the United Kingdom. We can find the best agencies in the United Kingdom to dispose of our wheat that there are anywhere in the world. Britain is a trading nation; they must trade if they are going to exist.

With regard to the United States, there is a difficulty which I must call to the attention of the minister, and about which I hope he can do something. I tried to take some action, when I was in the government, and the former minister of trade and commerce also discussed the matter, but we did not accomplish anything. Up until the middle of the last war there was no embargo on wheat going to the United States, but since 1941 or 1942 there has been an embargo; we are not allowed to sell any wheat for human consumption in the United States or, at least, our maximum is 800,000 bushels, which goes in on the first day.

The two greatest agencies outside Canada for marketing wheat are in the United States and Great Britain, and I think we must co-operate with both in order to dispose of the quantity of wheat which we have for sale. I suggest that the next time a group of high level men goes down to Washington they should take up this question. I know it has been discussed there before, but it could be discussed there again. There are arguments on both sides, I know, but the men who produce the wheat are anxious that the government should take advantage of every opportunity there is to sell their product. And one of the opportunities, particularly in years when our wheat has a high protein content and the United States wheat has a low protein content, is that of marketing a very considerable part of our wheat through the mills of the United States—maybe not in the United States, but in other countries. At other times we should be able to market a considerable part of our wheat through the mills of the United Kingdom as flour to be sold elsewhere. We must keep these two things in mind if we are to sell the enormous quantities of wheat which we produce in the west.

I am not going to say anything further than that now. When we are discussing some of the items in the estimates of the department I may have something further to say.

Mr. Harkness: Mr. Chairman, I wonder if I could say a few words now with regard to what the hon. member for Melville has just said?

The Chairman: Would the hon. member for Mount Royal mind allowing the Minister of Agriculture to speak?

Mr. Macnaughton: Mr. Chairman, I was indeed interested to hear the short report the minister made, in particular the commendation of the trade commissioner service. It seems to me that the minister is lucky to be heir to a legacy left him by the former minister of trade and commerce, the Right Hon. C. D. Howe.

I should like also to take the opportunity of expressing my feeling of gratitude for the services of the trade commissioners. On many occasions during the past few years I have found it necessary to call upon them for assistance, and they always knew the proper quarters to which to refer me and others interested in trade matters. At all times they provided the highest form of service with regard to securing and developing of the foreign trade of this country. I wish to pay a personal tribute to this service, which is among the best in the world.

The Minister of Trade and Commerce spoke of the trade mission. Some people have called it a junket to Great Britain but I will not be so unkind as to refer more than once to that. We have heard a good deal about the wonderful reception which the English people, and others in the United Kingdom gave, and are giving to the mission. That, of course, is only natural for English people are by nature extremely hospitable and receptive. Why should they not be when people are visiting them desiring to place orders for the goods they manufacture.

Be that as it may, the British are first class traders. As we know, they live by trade. I make these remarks because I should like the minister to tell us what results he hopes to obtain from this trade mission. I would also ask him to make, in due course, a full report to this house with regard to this matter. The trade mission of course is a matter of extreme interest to the British and naturally so and I think it might serve a useful purpose if I referred to the London *Financial Times* of November 20, 1957 under

a lead editorial entitled "The Switch of Trade" which says in part:

> Within a few days of becoming Prime Minister Mr. Diefenbaker had said that he would like to switch 15 per cent of Canada's imports from the United States to Britain.
>
> That figure has subsequently become a source of embarrassment in Ottawa. Nevertheless, the desire to achieve an increase in trade with Britain, to offset dependence on America, is both genuine and keen. The first major proposal for implementing such a policy which the British government put forward was the Anglo-Canadian free trade area. For political reasons that went much further than Mr. Diefenbaker's administration—which is protectionist in character—could accept. Indeed the Liberal party has given it such welcome as it has had. The Canadian government has found that it could only rely on voluntary exhortation and organization to try to increase Canadian purchases in the United Kingdom. The principal means of achieving these ends has been to send a trade mission to Britain.

I suppose we all want to assist the United Kingdom. Traditionally it is the thing to do and sentimentally it conforms to the desire of all of us here; but when we are considering a potential change in general policy I think we should also consider the consequences of such a change and what those consequences could be with regard to the United States, with regard to Canadian industry, with regard to the various nations in the group called GATT and also NATO, and with regard to the United Kingdom itself.

Let us take a look first at the reasons for our tremendous volume of trade with the United States. Over the years there has been a change in consumer demand in Canada and that change has been away from the United Kingdom. The United States makes the kind of things we have and like and moreover she is able to get them to us quickly and also economically. Secondly, and perhaps even more important, there has been a great increase in United States investment in Canada during recent years. It is an economic truism that an export of capital is generally accompanied by an export of goods. Canada's industrial development since the war and the development of our natural resources would not have been nearly so impressive without that inflow of capital from the United States.

The United States has invested in our national future and as we all know that investment has paid off. Therefore we find that by virtue of geographical proximity, national buying habits and fundamental economic forces, Canada now buys the bulk of her goods and services from the United States. If we are going to attempt to divert 15 per cent of our national business, in approximately the amount of $600 million, perhaps the consequences of that diversion could be quite different from what we may anticipate.

We all know that the Americans are hardfisted traders. In fact, their trading attitude is that they will give a concession for a concession, they will give a dollar for a dollar. We know that the United States belongs to GATT and that deals made for and on behalf of the United States are subject to the approval of congress. We also know that the attitude of congress—let us state it quite frankly—is that if we are giving you a concession we will certainly demand a concession, too. We can therefore question how the minister will bring about the proposed diversion from the United States to the United Kingdom.

Perhaps there might be at least two ways. If the cost of production rises in the United States which obviously will bring an increase in the prices which Canadian manufacturers would have to pay for their imports it might be possible to divert some of the Canadian trade from the United States to the United Kingdom but I am sure the United States manufacturers will not help us in that regard. And then, of course, if Canada were to impose import licence requirements or were to increase the Canadian tariff on goods being imported into Canada that also might be a means of diverting some of the trade to the United Kingdom. But if we do that surely the same result will affect the other GATT countries who are in that trading arrangement so the net effect to the Canadian government would be no result.

I have just a few words to say concerning the situation of Canadian industry. If the Canadian government by import restrictions or increased tariffs or by a change in policy sets about to prevent United States products coming into Canada and sets about to divert other purchases to the United Kingdom, what is there to prevent the Canadian manufacturer from stepping into the breach and filling the needs of Canadian consumers? If we close the Canadian market to the United States suppliers—it is important to remember Canadians are only second to Americans in the production of general consumer goods—there is nothing to prevent Canadian manufacturers stepping into that void and filling the needs of the Canadian consumers. The net result again is that our attemps to divert some trade to the United Kingdom has failed.

Now with regard to the various nations in NATO and the GATT group it may be possible to divert $600 million a year from the United States to the United Kingdom but it would not be possible without giving the same chance to compete to the other nations in NATO and GATT, because surely to goodness we are not merely political partners in NATO. Surely we are partners in the economic sense as well.

If we were to succeed in diverting 15 per cent of our trade from the United States to the United Kingdom I suggest that it might not be the United Kingdom which would step in and supply the consumer goods that we want in this country. It might, for example, be Germany. Germany might pick up most of the business for the following reasons. The Germans do produce excellent goods and they produce them at competitive rates, probably better competitive rates than is the case with the English. Along with their sales they provide first-class service and the type of consumer goods that Canadians would perhaps prefer. If this proved to be the case the objective of the minister would again be defeated.

I think it is quite true that many years ago the United Kingdom controlled most of the Canadian market. However, since that time we have had a tremendous development in Canadian industry and United States power has come to the fore. I think it follows that observing these results Great Britain decided to divert her own trade to the more natural channels of the sterling area. The United States is dominant in the dollar group and the United Kingdom is dominant in the sterling group and I suggest that the United Kingdom would be very jealous about giving up control of the sterling group if that control were threatened to any extent.

If Canada offers $600 million to the United Kingdom in the form of trade it seems to me that the United Kingdom is faced with the problem of investing in capital goods and plant in order to produce the type of consumer goods that this country wants and I doubt very much if the United Kingdom is prepared to invest in plant and capital goods without some assurance of a secure market in Canada. Whether or not this means that the United Kingdom will demand a long-term trade agreement, I do not know, but it seems to me that their reference to opening a free trade area between the United Kingdom and Canada obviously followed from that reasoning. They must have some assurance if they are called upon to invest in capital goods and plant that they will have the opportunity to sell in this market.

The natural trading area for the United Kingdom is of course the sterling area. Sterling is the means of payment and British manufacturing capacity has been directed to supply the needs of this area. The sterling group needs are consumer needs whereas Canada's needs are capital goods. Canada belongs to the dollar group.

I wish now to make a few general observations. It occurs to me that any policy of trade diversion from the United States to the United Kingdom could easily deprive us in Canada of certain raw materials which we require to keep our factories going, and let me refer just in passing to certain metals, clays, oil, gas and coal. Again, this proposed diversion could certainly invite retaliation from the United States.

Restrictions on the imports of fish and oil from the west and iron ore from the east could very easily be imposed. Again this proposed diversion may create a lack of confidence in the foreign investor; that is to say, the rate of foreign investment in this country might perhaps slow down because if the foreign investor becomes alarmed over or afraid of the present government's financial policy or the present government's trade policy he might stop making investments in this country.

Canadian expansion has been financed to a large degree by outside capital and employment in Canada is geared to an expanding industrial economy. If we do not get the money to build the industrial expansion unemployment will obviously result. Unemployment is increasing every day and in our neck of the woods we fear that by the end of January we may have as many as 560,000 unemployed in this country.

Generally speaking, any nation that starts to restrict imports starts the trade ball rolling down the hill. None of us knows where it will stop. We had an example of that in 1929 and in the subsequent depression and I think we need to view any change in trade policy very carefully in order not to run into the same sort of thing.

I am told that a few years ago James Duncan, through a voluntary effort, tried to induce certain Canadian manufacturers to buy more from the United Kingdom. I understand that a survey was conducted among Canadian firms and they were asked to review the things which they would need and, if possible, to buy from the United Kingdom. So far as I know this effort had very little impact on the Canadian economy for the following reasons: first of all, the Canadian manufacturers would of necessity be buying in the cheapest market in order to reduce their costs. If they were not doing that at the time, then their competitors would beat them out on price. If this proposed diversion to the United Kingdom does not bring about the opportunity of buying materials at a cheaper price it may in turn increase the prices to the Canadian manufacturer and consequently limit his capacity to compete in the over-all world markets.

It seems to me that our trade with the United States has been a natural development of North American economy. It is obvious that

our lines of communication with the United States are very close and very effective. Advertising of American products make us familiar with them in this country. If you look at the Bank of Canada statistics I think you will see that the big import deficit with the United States is in capital goods rather than in consumer goods. That is to say, the large American companies in their search for natural resources have been coming to this country either by way of setting up their own subsidiary corporations or by investing in Canadian corporations and have exported vast capital sums, for example, in the development of the oil industry in the west and in the development of the iron ore industry in Labrador and in Quebec. Capital goods will follow capital investment and it also follows that where you have United States engineers who are familiar with United States industrial equipment needed in the development of those natural resources they obviously will try to spend their money first in this country and, failing that, they will go to the sources of supply which they know.

The world needs our resources and this in turn gives rise to the import flow of capital goods. There is, however, a natural diversion of capital goods which could be brought about by Great Britain. If Great Britain would free more funds for investment in this country, if Great Britain would buy operating factories in Canada as, for example, the A. V. Roe Company did, or if Great Britain would build new factories in this country, it would follow that capital goods and even to a certain extent consumer goods would flow into this country and bring in their train considerable imports from the United Kingdom.

I may be slightly old-fashioned but it seems to me that the onus to sell is on the seller and not on the buyer. Our big deficit with the United States and our surplus with the United Kingdom are a natural development of our free business economy, relatively speaking, free of controls, free of government interference and free of foreign exchange control. In order to try to do something to this free development of trade the government will have to play with or change the rules, such as increasing tariffs and bringing in restrictions, and that is why I have been trying to discuss this problem in a very real way in order to get some explanation now or later from the Minister of Trade and Commerce.

The question arises, why do we have to go to Great Britain? Why can Great Britain not come to us? What will be the effect on local industry, textiles, woollens, and secondary manufacturers? Down our way businessmen and labourers are considerably disturbed by this whole project. In proof of this—although it does not come from the Montreal district—I refer the committee to the Toronto *Daily Star* of November 29, 1957 in which is recorded an interview given by V. W. Scully, president of Stelco. He said in part:

> "In tinplate and sheet generally, the Canadian mills have equipped themselves to meet the Canadian market situation", said V. W. Scully, president of Stelco.
>
> "At the present time we have more than adequate capacity and we cannot see how our economic position is going to be helped if it is going to become more and more difficult to employ that capacity."

Mr. F. A. Sherman, chairman of Dofasco's board, said:

> "We fail to understand how Ottawa could agree to cause more unemployment by importing tinplate which already is in excess supply."
>
> In Cardiff, Wales, yesterday, Hon. Gordon Churchill, Canadian Minister of Trade and Commerce, said Canada is a definite market for British steel and tinplate.

I ask again why should the buyer have to do the selling? We know that the whole pattern of Canadian trade is a natural pattern springing out of a multitude of hundreds of individual business decisions. If we alter this natural pattern we will be setting up new stresses and strains.

While it may be possible, by interference, to shift 15 per cent of the trade from the United States to the United Kingdom, in the long run we may lessen the over-all trade. This, Mr. Chairman, is a comparatively free economy and we have got used to this type of economy. To try arbitrarily to change the whole complexity of the trade flow could result in great damage. It could very easily result in a lessening, not in an increasing, of our over-all trade.

Mr. Harkness: Mr. Chairman, I should like to make one or two brief remarks in view of the statement made by the right hon. member for Melville in regard to the duty on cattle going into the United States. I do this so that there will be no further ambiguity in connection with this matter which has been considerably confused in the minds of cattle producers and in regard to which the situation has been somewhat ambiguous over the past two or three weeks. I cleared up the situation here on Monday of this week, I think, but since that time there has been a further change to which I should like to refer.

The United States government has announced that commencing December 4 United States customs collectors will require a $2\frac{1}{2}$ cents per pound duty on imported cattle weighing over 700 pounds per head. This is an increase of one cent per pound over the

duty which has prevailed for some time and is in accordance with the United States tariff structure. There is a basic duty of 1½ cents on slaughter and feeder cattle entering the United States and weighing under 200 pounds or over 700 pounds. Those between 200 and 700 pounds pay 2½ cents a pound duty. Purebred cattle for breeding enter free of duty. Dairy cows pay 1½ cents.

I have the figures here as to what United States imports have been, particularly what exports of cattle from Canada to the United States have amounted to, and perhaps the committee might be interested in them. The figures I have are for the period from April until the end of November because the quotas imposed by the United States work on the basis of a year running from April 1 of one year to April 1 of the following year.

During the first quarter of this quota year, April, May and June, we exported 1,717 cattle. During the next quarter, July, August and September, we exported 52,215 head, and during October and November we exported 87,571 head, or a total of 141,503 head for the period from April 1 to November 30. These, of course, are slaughter and feeder cattle over 700 pounds in weight. In addition, we exported a considerable number of feeder cattle between 200 and 700 pounds, in fact, 82,074 head. We exported 11,480 head of calves under 200 pounds and we exported 27,944 head of dairy and purebred cattle, for a grand total in that period of 263,001 head of cattle.

The collection of one cent a pound extra on beef cattle at present going into the United States does not mean that the people shipping the cattle at the present time will eventually have to pay that. The recent action of the United States customs officers is in accordance with the common practice when a quota is approaching completion. Extra duty is charged, invoices are dated and refunds are made for any cattle which eventually prove to be within the quota.

The information from Washington is to the effect that on November 27 a total of 105,000 cattle had been received from all countries against the quota of 120,000 for the quarter. We believe it is likely that unless a large number of cattle come in from Mexico during the current month of December the number of cattle which will likely go from Canada to the United States will not be above the quota and therefore eventually there will not be any additional duty that exporters will have to pay on the cattle. That, of course, is just our estimate. We do not know whether or not it will prove correct. In any event, it seems quite certain that the number of beef cattle going into the United States this year on which additional duty will be paid will be very small, if there are any.

In view of the fact that the right hon. member brought up the matter and that there has been this change I though I had better make this statement in order to clarify the situation and also to reassure exporters of cattle with regard to what the situation is at the present moment.

Mr. Gardiner: May I ask a question before the minister leaves that point? I am apparently under a wrong impression myself with regard to one feature. I was under the impression that it operated on the basis of a calendar year and that while they might put on the duty now it probably would not operate after January 1. I would take it from what the minister has said that the year starts on the first of April—

Mr. Harkness: Yes.

Mr. Gardiner: —and that the duty may be collected from now until then.

Mr. Harkness: The year is calculated from April 1 and there is a total quota of 400,000 head. But that again is broken down into quarters and there is a maximum in any one quarter of 120,000 head. I understand the reason for that is to prevent the whole 400,000 head being thrown on the United States market in one month, say, and disrupting their price structure. Therefore there is this provision that only 120,000 head can go in at the 1½ cent duty in any quarter. The quarter we are now in, to which the 120,000 will apply, will be up at the end of December.

Mr. Gardiner: That is the third quarter.

Mr. Harkness: That is the third quarter, and the fourth quarter will then start, taking in January, February and March. During that quarter cattle can be shipped into the United States up to 120,000 head as long as the total for the year is not over 400,000 head. As the total number of cattle over 700 pounds we have shipped in so far is 141,503 head and as I believe Mexico has shipped only somewhere between 30,000 and 40,000 head, this means that we will still have a quota of 120,000 head for the next three months, January, February and March.

Mr. Gardiner: But they will not be able to go above the 120,000 at a duty of 1½ cents even if it is below the 400,000?

Mr. Harkness: I think that is correct. That is my impression. The maximum we will be able to ship is 120,000 but as the right hon. gentleman is aware it is unlikely that during that period we will be shipping anything like the number of cattle we have shipped

during the past two months, and therefore from a practical point of view I do not think that will have very much significance as far as we are concerned.

Mr. Olson: Will the minister permit a question?

Mr. Harkness: Yes.

Mr. Olson: The figure of 120,000 head per quarter is used and 400,000 head for the year. Would the minister explain why that is so because four times 120,000 is not 400,000. The two figures do not jibe.

Mr. Harkness: I think I just explained that but I will explain it again. The total number of cattle over 700 pounds, primarily beef cattle, which the United States allows to enter that country under a duty of 1½ cents a pound is 400,000 head in a year. As soon as there are more than 400,000 head the duty goes to 2½ cents a pound.

Mr. Gardiner: That is from all countries.

Mr. Harkness: That is from all countries, but at least in recent years the only countries which have exported live cattle to the United States have been Canada and Mexico. There is a further provision which I understand is to prevent the whole 400,000 head entering the United States in one bunch and thereby disorganizing their markets. That provision is that during any three month period of the specified year the maximum number which can enter that country is 120,000, and that is how the 120,000 figure comes into the picture.

Mr. Irwin: May I ask the minister a question? Suppose the full quota was filled for the first three quarters. That would amount to 360,000. That would leave a balance of 90,000 in the 400,000 maximum. Would that mean that in the fourth quarter they could export only 90,000 head at the 1½ cent rate? Furthermore, does the 400,000 head include slaughter cattle under 200 pounds?

Mr. Harkness: With regard to the first question, if there were 120,000 head in each of the first three quarters that would make a total of 360,000 head and therefore in the fourth and final quarter we could only export 40,000 head at the 1½ cent duty, not 90,000. But you can export as many as you like at the 2½ cent rate. There is no limit on the number that can be exported at the 2½ cent rate of duty. Calves under 200 pounds are not included in this quota. Just a moment, I will check on that. Yes, calves are included. There is a basic duty of 1½ cents on slaughter and feeder cattle entering the United States weighing under 200 pounds or over 700 pounds.

Now, Mr. Chairman, there were two or three other points which the hon. member for Melville brought up about which I must say I am not in agreement. I think perhaps they are matters which would more properly be discussed on the estimates of the Department of Agriculture rather than when we are dealing with the estimates of trade and commerce. The matters that he raised in connection with eggs, fowl and so forth, I shall therefore leave until a later time.

Mr. McCullough: I am sure the committee will appreciate the explanation the minister has given. I think the previous explanation he gave concerning exports of beef cattle to the United States was in answer to a question of mine. I asked the question because I appreciated the concern of exporters of cattle in western Canada. I should like to ask the minister a question now in further clarification. I believe he said that a record of the sales would be made and if there was an extra duty of 1½ cents it would be refunded to the exporter. Could the minister explain how the producer might avail himself of this rebate or what effect it might have on the farmer who has put his cattle in the hands of an exporter and has been paid. Does he have to wait for a refund?

Mr. Harkness: It would all depend on the way in which the producer disposed of his cattle. If he put them in the hands of a commission agent to ship to the United States and sell for him, of course he would get back the cent a pound duty when it was rebated. On the other hand, if he sold the cattle to a cattle dealer, he would have lost his interest in them and the cattle dealer would get whatever price he could. In some cases, of course, if the duty were charged the cattle dealer would lose money.

Mr. Lewry: Mr. Chairman, I wish to join with others in this house in extending congratulations to the minister on his appointment, and to express the hope that he will be able to do a more acceptable job of work for our western farmers in the matter of trade than has been the case in recent years. I rise mainly to suggest to the minister that he should get off his big fat surplus of wheat and sell it. I do wish to say that I was somewhat disappointed with the attitude of the minister in connection with the disposal of the wheat surplus.

Prior to the calling of this session of parliament we in the west read on more than one occasion that the new minister was going to follow an aggressive sales policy to assist

the farmers in getting their proper share of the national income. One of my first questions in this house was in connection with the report that the Australian state of New South Wales had suffered a severe drought and a resultant crop failure. At that time it was suggested that Australia may have to import wheat in order to meet its commitments to other countries. I was chided, not only by some in this house but also by some western newspapers. It has now been publicized quite extensively that that condition exists, and that Australia will in all likelihood import some wheat. The news stories indicate that our sister dominion would prefer Canadian wheat. I should like to read in part a Melbourne Reuters dispatch of December 4 which states:

> The Australian wheat board has asked federal government permission to import Canadian wheat, it was reported here tonight.
>
> Board Chairman Sir John Teasdale said the shipments would go to New South Wales and Queensland, whose own wheat crops had been hit by drought.
>
> Teasdale said Canadian wheat could be shipped to New South Wales and Queensland at about the same price as western Australian wheat could be transported to those states.

When I asked the minister a few days ago whether or not he had taken any steps to sell wheat to Australia I received the offhand answer that if Australia wanted wheat we would sell it to her. Where is that aggressive policy that was mentioned only a few weeks ago? I suggest to the minister that we cannot sit around and expect customers to come to us. The United States has already announced a new disposal program, and I am afraid unless some direct, aggressive action is taken to obtain this contract for wheat sales to Australia, we may even lose that. I suggest, in all deference, that the minister who, it seems, is quite able to make trips to other parts of the world might at least send someone to Australia, if necessary, to make sure this contract is tied up right now.

The western farmers are looking to this government for the kind of action that was promised, an aggressive sales policy. The farmers have piles of wheat taking up valuable space on their farms, in their machine sheds, cattle barns and expensive granaries. Some wheat has been stored for many years. They are asking for the new kind of aggressive sales policy that was indicated would come after the change in government. When the first story appeared in the newspapers about this Australian crisis it was indicated that possibly 50 million bushels might be required. The latest story indicates that it is already too late to import that amount, so possibly we have already lost a good part of the amount we could have sent as a result of this lackadaisical attitude.

An extensive program is necessary as our farmers all across Canada are still only getting less than half of the share of the national income to which they are entitled. One out of six Canadians is a farmer, and he should get $1 out of every $6 of national income. But at the present time he is getting less than $1 out of every $15, or less than half of that to which he is entitled.

Under the former Liberal government the so-called Liberal prosperity forced 15 per cent of our farmers off their land. This applies to eastern and western farmers alike. Cattle prices have fallen in the east as well as the west, and at the same time prices of farm machinery have been increasing steadily. A few years ago a farmer could have purchased a new hay baler with the proceeds of the sale of four 1,000-pound steers. It now takes the equivalent of ten steers. In the west a medium sized tractor could have been purchased a few years ago with the money from the sale of 1,600 bushels of wheat. Today it takes 2,800 bushels to buy that same machine.

There are hundreds of farmers who have many thousands of bushels of wheat stored on their farms. Every day they see the foodstuffs required by people in other parts of the world going to waste in their barns. They were led to believe that a new policy would be implemented, but today we still have the same old procedure. It is the younger farmers in the west today who are suffering the most. It takes thousands of dollars to get a proper set-up for good farming. A few weeks ago in my own constituency I found several young farmers who had recently started in business facing virtual bankruptcy, yet they had wheat in storage. It is not their fault that the government fails to have the proper sales technique or ability to sell, yet they are forced to virtually subsidize the federal government by storing their own wheat. This policy has another discriminating feature; it is making big farms bigger and the small farmers are being forced out of business. I suggest to the minister that the farmers expect him to do his duty. They are past the stage of accepting any more promises, they want action now and they need action or they will be adding to the increasing unemployment problem across Canada.

May I say that even if this pile of wheat were all sold today, and it is the duty of the minister to sell it, the plight of the western farmer would not be relieved entirely. Depressed conditions would still exist, because

those conditions are brought about by the surplus itself. We were disappointed, therefore, last evening when the Minister of Finance failed to indicate any provision was being made in the baby budget for bolstering farm income. I am sure that if the responsible government officials are aware of the present farm situation, and if they are not aware of it it is time they became fully acquainted with the problem, they would be taking steps to correct the farm price relationship. The factor that will probably cause them the greatest concern is the fear of political revolt on the part of the taxpayers when called to support the farm economy.

Therefore it becomes increasingly more important not only for the farmer but for the government as well that these surpluses be disposed of, because when the surplus is disposed of and no longer has the depressing effect on farm prices then prices will automatically be forced up by demand and the farmer will gradually work up to a parity position in the market place. Consequently, sales are still our basic problem and it will behoove the minister to be as aggressive on this problem as he was before he became the minister. The longer the surplus remains, the longer the taxpayer will have to give direct aid to the industry. Therefore it becomes politically expedient for this government to take immediate action through the Department of Trade and Commerce.

Mr. Olson: I too should like to join with the many in wishing the Minister of Trade and Commerce well as he begins to deal with the problems that go with a department as large as the Department of Trade and Commerce. As many other members have indicated, the action taken by the Department of Trade and Commerce is probably more important to the farmers in western Canada than that of any other department. I should like to deal briefly with the general situation and also with the developments that have taken place with regard to the market situation of our wheat and petroleum industry.

I am very happy to hear the minister's high praise of the officers of his department and also to hear his high praise of and favourable comments on the activities of the trade commissioners in the various parts of the world. I too think that they are doing a good job in so far as our trade policies allow.

We are also happy to hear the minister tell us of the trade mission to the United Kingdom. We are happy to hear him say how well it is being received, and to speak about the enthusiasm of the British firms in meeting with this trade mission, about the number of people who have met this trade mission, and generally the interest that has been shown. But I failed to detect in his remarks any definite or specific corrective policy or anything to indicate just what they were going to do to increase our trade. He mentioned, of course, that they were going to buy or to attempt to place larger orders in the United Kingdom; and of course it follows that that course will possibly lead to the United Kingdom's placing larger orders in Canada. I was greatly interested in the remarks of the hon. member for Victoria-Carleton, I believe it was, who suggested that they had high hopes for this mission, that they would be able possibly to increase this trade and that out of this delegation would come certain things that would in fact increase the trade.

I was, however, under the impression that this government had a trade policy before this mission went to Britain and that it was not dependent on what would come out of this mission. We know, of course, that there has been a declining market with regard to our wheat. I fail to find in his remarks anything that would have a tendency to correct that situation. I admit that this new government inherited a wheat trade problem. But whether they inherited it or not, the fact is that the problem is now theirs, and we look to them to bring about some change in trade policies that will correct it, other than trade missions. It was a declining market before this government took over and it still is a declining market. For example, I should like the members of this committee to know that the flour milling industry in my own constituency is down. Local flour mills are dependent on export markets for full production. This local production is down 50 per cent in the past three months and, according to a committee meeting that was held recently, prospects for increased production are not good.

One thing this new government has in its favour, I think, is that the wheat we have to sell now from this year's production is a more acceptable product to the European countries, particularly Great Britain. The protein content is up. I have seen press reports—although I have not one here with me—to indicate that British millers have indicated that they think this new 1957 crop should be easier to sell.

Mr. Benidickson: May I ask the hon. member a question?

Mr. Olson: Yes.

Mr. Benidickson: It is in relation to his constituency flour mill. I also have a flour mill in Keewatin. I was going to ask the hon. member if he had ever been informed

that it was difficult to obtain for the domestic mill wheat of sufficiently high protein content to justify full-time milling.

Mr. Olson: Yes. I think that has been the case in the past. However, my information now is that since the new crop has come in, it has overcome this problem.

Mr. Benidickson: I was referring to past years.

Mr. Olson: One other thing we must remember is that the Canadian wheat board is the sole selling agency for the wheat in western Canada. Because of that fact I think it is only reasonable that the farmers in western Canada should expect the Canadian wheat board policies and the policies set up by this government for them to follow to be the best trade practices. Along that line I should like to make a suggestion, and it is this. All selling agencies, regardless of what they are selling, usually have stocks of their product where they are most easily accessible to the purchasers. I think that he should take into consideration storage in Europe and in other countries where our customers are. For the immediate picture, I think perhaps he could take into consideration offering our wheat on consignment to fill whatever unused storage there is in these areas at the moment. Then the customers could pay for this wheat as it is used. The hon. member for Cariboo some days ago suggested that we build some storage in England and in some other countries and I think this is a good idea. Perhaps immediately we could look into the matter and see how much unused storage there is there now and offer our wheat into that storage space until such time as perhaps we can get around these currency difficulties and so on. I think it would be a great deal better if we put this high quality food into this storage space. Whether they can get paid for it immediately or not, it would be better than to have it spoil in outdoor piles on the farms.

I should like to associate myself also with the remarks of the hon. member for Macleod to the effect that the time has come when we should stop complaining about the United States trade policy with regard to agricultural products. Frankly, Mr. Chairman, I do not believe that Mr. Benson has any intention of changing this policy. I think we should stop complaining. As long as we are going along with this horse and buggy policy we should not complain about the United States if they go by us with some new policy which is more fitted to modern requirements.

Now, Mr. Chairman, I should like to deal briefly with the gas and oil export problem. To begin with, I should like to refer to some newspaper articles to give members of this committee some idea of what our customers, or potential customers are thinking. This quotation is taken from the Fargo *Forum*, North Dakota, and it says:

> The Canadian government apparently has killed, at least for several years, the possibility that Fargo-Moorhead and other cities in the Red river valley will get natural gas from Canada.

The report goes on to say that the attitude of the Canadian government—

> —has been interpreted as an invitation to the United States federal power commission to turn down the application of Midwestern Gas Transmission Company for permission to build a natural gas transmission line from the Canadian border.

Then the writer of this article goes on to say:

> Diefenbaker's statement was vague. He didn't actually block the export of gas from Canada, but he created conditions which put the federal power commission on the spot.
>
> The Winnipeg *Free Press* believes he was deliberately vague and left it up to the federal power commission to deliver the knock-out blow because that won't put the Canadian government on the spot with voters in Alberta.

Further on in this report it says, and I quote:

> But it doesn't appear as if North Dakota fields will serve the valley, at least for several years, because a sufficient supply has not been discovered.
>
> Northern Natural Gas Transmission Company of Omaha has announced future plans for serving the Red river valley with gas from the southwest.

Mr. Chairman, this delayed action policy in the eyes of the people who are most concerned, namely our customers for this gas, is no good because they are not going to wait for a year, or two years, or for whatever time may be required by this government to give the signal to go ahead. They are looking to other places for supplies of fuel and while we wait on some power commission or energy commission we are going to lose these markets.

Here is another quotation taken from the Lethbridge *Herald* dated Washington, November 27:

> Francis L. Hall of the federal power commission during the current hearing of an application by an American pipe line, Midwestern Gas Transportation Company, for permission to import gas from Trans-Canada.

Later, the writer says:

> Failure of the Canadian authorities to act timely and definitely may well cause the power commission to consider that the Midwestern and Tennessee applications have reached the end of the road.

Mr. Smith (Calgary South): Mr. Chairman, I rise on a point of order. I certainly have no objection to such a discussion as this. In fact, I should like to think that there would be some opportunity for a discussion on the question of gas export. But I should like

to ask your ruling whether it is in order now to discuss a problem which is presently under consideration by a royal commission, and to have an assurance that if this is in order other hon. members will have an opportunity along the same lines.

The Acting Chairman (Mr. Rea): I would ask the minister if this matter of exported gas comes under his department?

Mr. Churchill: The issuing of export licences for the export of gas does come under this department.

Mr. Benidickson: Also the Pipe Line Act.

Mr. Johnston (Bow River): On a point of order, Mr. Chairman, it does not make any difference whether this matter is being heard before a royal commission or not. We are not discussing the evidence placed before a royal commission. What we are discussing here is the over-all picture of trade between Canada and the United States, and if oil or natural gas happens to come into that, the question of a royal commission would not affect the issue; it must be perfectly in order.

Mr. Benidickson: We cannot find out yet when the royal commission is going to begin its sittings.

Mr. Olson: The point I am trying to bring out with regard to gas exports is that by reason of this royal commission being set up to look into this matter we are losing our markets. I should like to read a paragraph from another news report which also appeared in the Lethbridge *Herald* under the date November 25. This article is headed: "The Time for Gas Export is Now." It reads:

"Canadian operators," Mr. Loughney said—

Mr. Loughney is senior vice president of British American Oil Company Limited.

—"have gone through many years of developing gas reserves in order to keep alive. Just as the farmer must sell his grain, so must the oil producer sell his production, both oil and gas—it is as simple as that."

In order to make saleable gas from wet-gas fields and solution gas, multi-million-dollar plants were being constructed or planned, and they would produce tremendous volumes of sulphur, propane, butane, natural gasoline and condensate.

High octane gasoline, raw material for synthetic rubber, explosives, synthetic yarn, fertilizer, plastics and many other things could be manufactured in petro-chemical plants.

There was already in Edmonton the nucleus of a petro-chemical industry from natural gas and, as the result of gas, new industries had been announced or were being studied.

With regard to the depressed state of the crude oil industry in Alberta, by which I mean the state of markets for this oil, I should like to read this extract taken from the Montreal *Gazette* of December 6, under a Calgary dateline:

K. E. Hill, vice-president of New York's Chase Manhattan Bank, said in an address to Calgary oilmen here:

Crude from western Canada cannot be laid down in Montreal at a price competitive with Venezuelan crude, he said. Canadian producers, he added, should look to the northern United States instead for new markets.

The banker said the depressed tanker rates, which are helping to restrict Canadian oil sales on both the Pacific and Atlantic seaboards will remain in effect for at least the next five years.

Mr. Chairman, I submit that if something does not happen soon to give some impetus to the gas and oil operations in western Canada to continue their development and their explorations for gas and oil we are going to find ourselves in a serious unemployment situation out there. We have a market for this gas in the United States, and we have the gas. The only stumbling block in the way is the federal government. The oil and gas industry is ready to develop. It is ready to build the pipe line, and ready to search for more gas. Prominent operators have indicated that the reserves of natural gas which have been found up to the present in Alberta are only a fraction of the total supply, that the surface has only been scratched. I think they have now reached the stage when they need some inducement to develop further.

In my opinion this royal commission is nothing more than a stumbling block in the way of that development. We have before us an application for a natural gas pipe line from Alberta to California and to many other large markets in the United States Pacific northwest but all of these opportunities apparently are going to have to be set aside while a royal commission makes its investigation. As a matter of fact, I am not quite sure what the commission is going to study but it is clear that until this government gives the green light to the export permits or at least indicates what it is going to do, the gas and oil industry of Alberta is certainly going to suffer.

Mr. Lavigne: Mr. Chairman, the reason I am taking part in this debate is because I am worried about the future of our textile industry. When I see the name of more than one of our own big textile producers going out on a buying mission abroad I feel I have good cause to concern myself with the results of this because it may have a very bad effect on many of our citizens.

I hope to make it clear that I do not wish to be too critical of this mission until we find out what they really have achieved. I believe that the obligation of the government to the people of Canada is not to sponsor buying

missions abroad but rather to seek to encourage the establishment of industry in Canada and I hope that this mission may stir up sufficient interest in our markets to induce some industries to establish branches in Canada. It has happened before in our own community when Courtaulds (Canada) Limited, a British firm, finding a market for its products in Canada established itself in Cornwall and gave security and employment to many thousands of people when you consider all the people employed in supplying their raw materials and other services.

Our municipalities and provinces are spending much money in advertising and promotion in order to attract new industries to their areas. It offers no encouragement to domestic industries to establish themselves in Canada if the government is going to invite and encourage competition which Canadian industries may not be able to meet. It is a case of this government defeating the efforts of our provincial and municipal governments. Competition may be a good thing but this is true only when it is on even terms. We are enjoying a certain standard of living in Canada and I cannot believe that we are in favour of lowering this standard but if we are to meet the competition of low-wage countries we are bound to lower our standard of living which has risen considerably since the former government took office in 1935.

I remember the time when some of our textile companies were operating only 24 hours a week but today they are operating 24 hours a day, five, six or seven days a week. I hope this government will not turn us back to the condition that existed in those years when our textile industry was down to its lowest ebb by bringing in unfair competition even though it comes from a country which we would all like to help. I believe our first obligation is to our own people. If we want to encourage industries to come in from other countries of the commonwealth the first step would be to encourage them to establish themselves in Canada and use some of our Canadian raw materials.

Mr. Morris: Mr. Chairman, several of the remarks made this morning just prior to the recess by the hon. member for Victoria-Carleton seem to me to require an amplification from some representative member of this house who comes from one of the great Canadian seaports.

In my constituency there is a great and growing interest in the prosperity of the Canadian trade delegation in the United Kingdom and in the results not only of its venture abroad but also of the broad trade policy of the new administration. I was interested to hear this afternoon the remarks made by the hon. member for Mount Royal who said that some people had referred to the Canadian trade mission as a junket and if I understood him correctly he went on to say that he would not be so unkind as to refer to it as such, more than once. As a new member I have been impressed throughout this session by the ferocity of Liberal attacks upon the government outside this chamber and the relative decorum with which some of the Liberal party spokesmen conduct themselves inside the house.

Whereas the hon. member for Mount Royal said he would not describe the trade mission as a junket, which is surely a term of derision, he is quoted in today's Montreal *Gazette* at page 23 as having said in a radio broadcast last night:

> Tory-inspired junket of Canadian businessmen touring Great Britain with the ostensible purpose of placing orders for British goods.

He then went on to say that he thought it inevitable that purchases made in Britain would be at the expense of Canadian manufacturers. I hope to show in a few moments that this is not a policy or program but merely a whine.

The water-borne cargo tonnage which passed through the port of Hailfax based on tons of 2,000 pounds or 40 cubic feet shows a slow increase in the amount of foreign waterborne traffic but an almost stationary total in domestic export traffic. In 1956 the inward water-borne cargo tonnage into the port of Halifax amounted to nearly 3 million tons and the outward to 2,300,000 tons a total of 5,183,001 tons. The domestic water-borne cargo tonnage in 1956 was 232,612 inward, 1,435,283 outward or a total of 1,667,895. While foreign water-borne cargo tonnages have nearly more than doubled since 1952 through the port of Halifax, domestic tonnage has barely increased. With the unanimous consent of the committee, Mr. Chairman, I should like to include in the *Hansard* record of my remarks today a table showing the water-borne cargo tonnage through the port of Halifax, both foreign and domestic, covering the period 1952 to 1956.

The Acting Chairman (Mr. Rea): May I ask what is the source of the material contained in the table?

Mr. Morris: The annual report of the national harbours board.

The Acting Chairman (Mr. Rea): Has the hon. member leave to place this table in *Hansard*?

Some hon. Members: Agreed.

Mr. Morris: The table is as follows:

Port of Halifax—Waterborne Cargo Tonnage
(Basis: tons of 2,000 pounds or 40 cu. ft.)

	Inward	Outward	Total
Foreign			
1956	2,907,904	2,281,097	5,183,001
1955	2,340,236	1,732,163	4,072,399
1954	2,048,550	664,666	2,713,216
1953	2,161,694	840,731	3,002,425
1952	2,171,826	823,863	2,995,689
Domestic			
1956	232,612	1,435,283	1,667,895
1955	395,763	1,150,907	1,546,670
1954	306,795	949,806	1,255,881
1953	329,701	1,070,590	1,400,291
1952	406,958	1,143,355	1,550,313

(Note: Does not include non-revenue ballast, bunkers, ships' stores, mail or passengers' baggage.)

Thus while our domestic waterborne cargo tonnage through the port of Halifax is just about stationary, export tonnage is increasing. This is not opinion but fact. What is it that keeps Halifax and other great Canadian seaports alive and busy, the waterfront workers with full pay envelopes? It is surely not domestic cargo tonnage, it is export tonnage.

In Halifax we have three miles of berthing in 23 deep-sea berths and seven coastal berths. We have 18 transit sheds with 1,306,000 square feet of floor area. We have a grain elevator with a capacity of over four million bushels and a loading capacity of 75,000 bushels an hour.

We on this side of the house often hear criticism from opposition members that the government is not finding markets for Canadian produce, including wheat. How can we be criticized for not doing something the doing of which also brings us criticism?

While we have all this cargo capacity in Halifax, the number of vessel arrivals and departures in the last six years of Liberal government was steadily downward. In 1952, there were 3,122 vessel arrivals in Halfiax; in 1953, 3,076; in 1954, 2,922; in 1955, 2,946; and in 1956, 2,887, down from 3,122 in 1952. Vessel departures show a corresponding decrease. This situation has also been true of the port of Saint John. In 1956, 1,608 vessels arrived in Saint John harbour. In 1952 the corresponding figure was 1,834. Last year the tonnage of water-borne cargo handled in Saint John was just over 2½ million tons, half of that of Halifax, but the domestic water-borne tonnage in Saint John was only 507,000 tons, only one-third that of Halifax, so that Saint John has at least a corresponding interest in the development of United Kingdom import trade.

Mr. Bell (Saint John-Albert): Hear hear.

Mr. Morris: Mr. Chairman, in 1953 we in Canada imported from the United States $3,221,214,000 worth of goods. By 1955, this had risen to $3,452,178,000. In the same years we imported from the United Kingdom $453,391,000 worth of goods in 1953 and $400,531,000 worth in 1955. Thus, while our imports from the United States continued to grow the corresponding dollar total from the United Kingdom slowly declined. Our exports to the United States in 1953 were nearly $2½ billion; in 1955, just over $2½ billion. For the United Kingdom the figures are $665 million in 1953 and $769 million in 1955. The average of domestic exports, based on 1935-1939 dollars, to the United States during those years was $321 million. This has now increased more than 10 times in dollar value; but the average of 1935-1939 exports to the United Kingdom of $353 million has barely doubled. Thus while exports to the United States have multiplied eight to ten times, those to the United Kingdom have barely doubled.

What is the relationship in percentage terms of our import and export trade, Mr. Chairman? In 1886, the United Kingdom claimed 40.7 per cent of the total Canadian import dollar trade. In the same year the United States had 44.6 per cent of the Canadian import market.

In 1896, when Sir Wilfrid Laurier ascended to power, that total of the United Kingdom share of the Canadian import market declined to 31.2 per cent, while the United States percentage rose to 50.8 per cent. In 1926, by the time Mackenzie King had come to power, the United Kingdom percentage had declined still further to 16.3 per cent and the United States percentage had risen again, this time to 66.3 per cent. In 1955, the United Kingdom could claim only 8½ per cent of the Canadian import dollar total, while the United States had 73.3 per cent.

Our export results show an interesting contrast. In 1886, we exported 47.2 per cent of our dollar total to the United Kingdom and 44.1 per cent to the United States. In 1955, we exported 18 per cent to the United Kingdom and 59.8 per cent to the United States. Thus, as the United States percentage share of the Canadian import dollar total has risen to 73.3 per cent from 44.6 per cent in 1886, the export total has risen only from 44.1 per cent to 59.8 per cent.

Our trade deficit with the United States in 1949 was $601 million. By 1956 it had risen to $1,659,000,000, nearly three times in seven calendar years. In 1953, the now opposition promised Canadians that they would use every available means to maintain and expand Canada's external trade. They did not differentiate between the

United States and the United Kingdom; they said they would expand trade. The sum of this promise was a minus balance of payment last year of nearly $1,400,000,000.

In the report of the Minister of National Revenue on customs and excise, individual income tax and old age security tax results for the fiscal year ended March 31 last, there are interesting possibilities of clarification of the results of the inadequacy of external trade with the United Kingdom. Under the late administration, customs and excise collections, which would include import duties, sales tax and other excise taxes, in the port of Halifax, amounted to $17,401,405.44; whereas individual income tax and old age security tax collections amounted to $19½ million, despite the fact that the then administration was collecting individual income taxes and old age security taxes in the four maritime provinces with the seventh, eighth, ninth and tenth lowest average incomes in the country at that time.

In Saint John, New Brunswick, customs and excise collections were just over $11 million; whereas individual income taxes and old age security taxes were nearly $19½ million. Compare this with Montreal where customs and excise collections were over $588 million, double the income tax and old age security tax collections of $287 million. When you arrive on the west coast you see a repetition of the east coast position. Once again customs and excise collections were below income tax and old age security tax collections; in Vancouver, $88½ million compared with $138½ million, and in Victoria, $10½ million compared with $22½ million. I ask for the unanimous consent of the committee, Mr. Chairman, to place upon *Hansard* a table derived from the report of the Minister of National Revenue dealing with customs, excise, individual income tax and old age security tax collections at four ports and three other ports of entry.

The Acting Chairman (Mr. Rea): Has the hon. member leave to put this table on *Hansard?*

Mr. Marler: What is the source?

Mr. Morris: The report of the Minister of National Revenue for the fiscal year ended March 31, 1957 and it deals with customs, excise, individual income tax and old age security tax collections. It is a public document.

The Acting Chairman (Mr. Rea): Is it agreed?

Some hon. Members: Agreed.

[Mr. Morris.]

Mr. Morris: The table follows:

	Customs-Excise	Individual Income Tax Old Age Security Tax
Halifax	$ 17,401,405.44	$ 19,387,908.41
St. John's	8,564,864.00	14,250,227.88
Saint John	11,213,573.84	19,573,361.84
Montreal	588,066,108.19	287,422,584.58
Toronto	371,636,137.33	387,059,233.89
Windsor	79,250,615.33	28,576,485.05
Vancouver	88,712,766.97	138,540,265.30
Victoria	10,533,666.80	22,508,986.78

Customs-Excise includes imports duties, sales tax, other excise taxes, excise duties and sundry collections.

Chart for fiscal year ended March 31, 1957.

We are vitally concerned, Mr. Chairman, with the expansion of United Kingdom trade in the Atlantic provinces. We are concerned with the expansion of this trade because we are concerned with the development of our ports and the ancillary services that go in and out of those ports. An increase in United Kingdom import trade would mean more work for our docks and dockers, more work for our longshoremen and shipping companies and more work for rail and truck lines leading in and out of our great ports. We are not unmindful of the great value of neighbourliness and trading with the United States. We are concerned with the impact upon our ports and their workers of having concentrated over a long history too much of our trading dollar in one trading basket.

Mr. Tucker: Mr. Chairman, I realize that Saturday afternoon is not a very good time to indulge in discussing what I am about to deal with, but I am very glad that the Minister of Trade and Commerce is here and that he is about to return to Great Britain because I think this is a good time to talk to him particularly. In his speech he referred to the fact that it was not the intention of the present government to interfere with our profitable trade with other countries. Then he went on to indicate that our trade with the United States had grown to such a level that it made the situation rather lopsided. Then he indicated that he endorsed the idea of the Prime Minister that we should seek to switch around $600 million of our purchases in the United States to the United Kingdom and that the mission to Great Britain of which he is the head is designed to further that objective.

I take it that a fair inference from what he said is that it is the intention of the government at the present time to seek to rectify the lopsided situation about which he spoke by persuasion rather than by the method adopted by the previous Conservative government of imposing tariffs against the United States and

giving preferences to commonwealth countries and that it is sought to do the same thing now by persuasion because the results of trying to do it by tariffs in the early thirties were very disastrous for this country. I doubt very much if anything like the objective the Prime Minister had in mind will be attained by persuasion under existing circumstances with the United Kingdom so busy meeting demands on it already, with that country having a condition of relatively full employment, and with a situation beginning to develop in the United States that will result in that country seeking markets even more in the days and years ahead than she has in the past and attempting to dispose of her products on the markets of the world to a greater extent than ever before.

I am quite sure that this is going to give rise to a demand that again we seek to divert trade by tarriffs, controls on imports and various other means of interfering with trade. After the experience of the world in doing this in the thirties many economists and leaders of public opinion throughout the world expressed the view that never again should we return to this business of each country trying to live by itself alone and seeking to export its unemployment because it was realized that the results of that policy had proved disastrous in the thirties. Many people are of the opinion that if it had not been for the high tariff policy of the United States, the Hawley-Smoot and Fordney-McCumber tariff policies, which prevented countries like Germany from shipping their goods into that market and buying the food products they needed, high tariffs would not have been imposed upon export of wheat and other products into the European markets and the great unemployment that arose in those European countries would not have developed.

It is believed that there was a time when the popularity of Hitler before he came to power was beginning to decrease but because of the tremendous rise in unemployment in Germany Hitler, with his appeal to narrow nationalism, became chancellor of Germany, and that the narrow nationalistic attitude taken by the most powerful country in the world had contributed to the rise of Hitler to power and so ultimately to the second world war. I think it was because of some realization of that that the nations of the world agreed to set up the general agreement on tariffs and trade and to take the attitude that in the future they would try to avoid the mistakes of the thirties.

I can see that as we go into a period of levelling off in economic activity following the great demand for goods which was part of the aftermath of the war there is going to be a demand that we repeat all over again the mistakes that were made in the early thirties. There is going to be a demand for tariff protection in the various countries of the world and particularly there is going to be a demand for tariff protection with respect to the vast areas of the Far East.

I think it is axiomatic and accepted that if trade does not cross frontiers armies ultimately will, and if we have not learned that lesson from the costly experience of the past it is a most unfortunate thing because surely the attitude of all western governments today should be devoted towards promoting more and more trade which will advance not only the economic well-being of the peoples of the world but contribute to world peace.

One thing I was very sorry to see happen was that when our Prime Minister made his suggestion about diverting trade the United Kingdom government, realizing that no amount of persuasion, no amount of good will or no amount of anything of that sort would necessarily prevail to operate against, and to offset, economic factors, suggested that Canada consider entering into a free trade arrangement with the United Kingdom looking towards ultimate free trade with that country over a period of 12 to 15 years. If the government of Canada had really wanted to promote trade with Great Britain in a way that would be effective, it seems to me they would have immediately said that their attitude was that they thought this proposal was a very constructive one and they would have set up a group whose business it would have been to look into this question with a view to seeing what could be done about it.

When I think of the situation in the Atlantic community today, it reminds me very much of the situation that faced the American colonies before they formed the United States of America. The various colonies had competing interests and the suggestion was that if they went together it would interfere with their individual economic well-being. I think everybody in the house today will admit that if they had taken a narrow attitude and not joined together to ultimately set up the greatest free trade area in the world, the United States would not have had the great development she has had. One great advantage she has had has been that within the United States she has the greatest consuming area of any nation in the world. On the basis of this she has been able to build up the great industrial and economic strength she has today. If the tariff barriers between the various colonies had not been removed by the formation of the United States, I do not think anyone would believe they would have had the development they have had.

Some time ago the North Atlantic Treaty Organization was formed. It was designed to

form an Atlantic community in the western world. We recognized the possibility and necessity, through the formation of this organization, for co-operation amongst the free nations. The member nations of the North Atlantic Treaty Organization agreed, under article 2, as follows:

> The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

It seems to me that pursuant to that definite agreement between the North Atlantic Treaty nations we should impress every member with the importance of promoting economic collaboration between all members of the organization, including the United States and the United Kingdom. The importance of such co-operation is recognized now in Europe. In spite of all their past rivalries, in spite of all their past troubles, the peoples of Europe are moving towards free trade between themselves. Most people would have thought it impossible that these people, with the background of their history, could have thought of having a common market between them. It seems to many observers that they are moving steadily and surely towards a common market for the peoples of western Europe.

What is Canada's response going to be in this matter? We have not the great consuming area the United States has. Here is a possibility of entering such an area. If a great economic free trade area in Europe is set up and we enter into some agreement with the United Kingdom, ultimately we would share in the benefits of the great consuming area of western Europe. It would put us in a position to make possible industrial and other development.

I suggest to the Minister of Trade and Commerce that there comes a time when people have either got to go forward into the future or back and go through the difficulties of the past. We are now moving out of the period we went through during and following the second world war. Are we going to benefit by this experience? If we realize we have to live together as nations we should move towards freer trade, otherwise we are going to make the same mistakes all over again.

It seems to me this government should have followed the role that has been followed by the Canadian government over the last 20 years. We were one of the main proponents and originators of GATT, the general agreement on tariffs and trade. It was our government that was one of the originators of NATO. Our government has always tried to stand for an extension of trade, for the opening up of markets. This, of course was the basis upon which we could hope for real development.

I do hope that when the Minister of Trade and Commerce goes back to Great Britain he will realize that if he is going to do what he should do as a representative of the Canadian government in the matter of trade he has to do more than go around trying to place orders with British industries. He has to take a constructive attitude towards this most imaginative proposal of the British government. If he does that, then we are taking a step forward by which there is some real hope for the western world and for us.

I wish to say a word or two about our wheat situation. I suggest that this is all part of the same picture. Undoubtedly the United States is following a policy of getting rid of her billion bushel surplus of wheat by any means necessary. Some of the members may have seen a series of articles written by Jack Stepler of the *Herald's* London bureau published in the Calgary *Herald*. He says in one of these articles that he has discussed the situation as he found it on a trip around western Europe with the Minister of Trade and Commerce. I believe most members would find these articles very informative and very interesting. He went over there to find out what the situation was with regard to our disposal of wheat. One of the things he says, and I think most of us will agree, is that there is nothing wrong with our marketing machinery. Wherever he went he saw evidence of the good work being done by the wheat board, the good work being done by our trade commissioners and by everybody concerned with disposing of Canadian wheat. The trouble they were running into was the subsidies and the various policies of the United States government which was determined, at all costs, to get rid of its surplus wheat. In the article which appeared in the Calgary *Herald* of November 20, he says this:

> A remark by the official in charge of Polish grain imports, made at a cocktail party in Warsaw, was a sharp and cogent introduction to the chief problem facing Canadian wheat exports to Europe.
>
> "We buy from the United States because they sell cheapest and give us 20 to 25 years to pay."
>
> Long-term U.S. credits, barters, price-slashing, subsidized sales and "gifts" linked with international power politics—coupled with strong pressure of the Washington wheat lobby to get rid of U.S. surplus stocks at any cost—are methods by which the United States has upset the world wheat market to the detriment of Canadian farmers and has invaded in recent years markets which have been traditionally Canadian.
>
> The policy has been one which has been costly, because while the U.S. has maintained a high price

to the U.S. farmer it has sold abroad at considerably lower prices. The U.S. taxpayer has footed the bill.

He goes on to say:

They admit the Canadian farmer has been the sufferer. But they commend Canadian determination to avert the chaos which would result from a Canadian move to undercut the U.S.

They have bought U.S. wheat at lower prices, on credits and in barter deals because even nations cannot afford to look gift horses in the mouth. But lower prices have brought the U.S. lower prestige in world markets and with them fear of the consequences of a price war spreading.

It has been said by the previous government and by this government that we cannot enter into competition with the United States, with their great economic power, in these give-away policies. The United States, apparently encouraged by that attitude that we cannot undertake to compete with them successfully, are following a policy designed simply to get rid of their surplus, regardless of its effects upon their closest ally, Canada.

I have an article which appeared in the *Financial Post* of November 23 and which indicates that because it was said that the barter deals were the most effective way in which to get rid of wheat, there is now a real pressure on in the United States to have a policy of barter deals again. One official in Washington apparently told the *Financial Post*:

If your people in Canada had not talked so much about getting rid of the barter deals, there wouldn't have been all this trouble now.

It is forecast that legislation will be brought in at this coming session of congress to reintroduce barter deals. What does this mean to our Canadian farmer? He is in competition today not with other producers of wheat but with the treasuries of the various countries where is he trying to sell his wheat through subsidized competition within the consuming and subsidized exports by the United States.

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

Mr. Tucker: When I am through, if you do not mind. Mr. Graham Spry agent-general for Saskatchewan in the United Kingdom is, I think, an acknowledged expert in these matters. He said this recently when he was visiting in Saskatchewan:

Subsidized agricultural exports are universal. The world wheat market is a taxpayers' market and the subsidy on competing wheats, in some instances, is higher than the average price per bushel to the farmer at his elevator point in western Canada.

Then he goes on to say this:

The United States, under barter arrangement, exports significant amounts of grain to countries to which Canada normally exports wheat. As important as the price-squeeze on prairie net farm income, is the squeeze through trade barriers erected by importing countries and subsidized sales by exporting countries. The problem of surplus disposal is not just a matter of salesmanship; it is much more a matter of negotiations between governments. Almost three-quarters of United States' exports last year came under provisions of public law 480 but, even in ordinary commercial transactions for the balance, prices to importers were subsidized. Dark and northern spring wheats had a subsidy of about eighty cents per bushel. France, Sweden, Turkey and Argentina all sold wheat in the world market at subsidized prices. The Canadian farmer and the Canadian wheat board are, as a result, competing with taxpayers in other countries, rather than competing with the producers.

If we get the Canadian farmer in the position where he is obliged to compete with people who are subsidized to the extent of as much as eighty cents a bushel, the question every Canadian, regardless of party, must be asking this government is this: "What are you going to do about it?" We are told that the actual net income of Saskatchewan farmers this year will be down 50 per cent from that of last year. I ask anybody who thinks about these matters what would happen if you were to say to the labouring force of Canada, "Your income is going to be cut by 50 per cent"?

Mr. Hahn: What are you dealing with?

Mr. Tucker: I am dealing with the situation as it is today. I deplore this idea of trying to play politics with this most important matter.

Some hon. Members: Oh, oh.

Mr. Cardiff: Imagine that remark coming from you.

Mr. Tucker: Maybe so, but I will tell you this. The people of Canada are not going to be satisfied with politics being played in this matter. They are going to want really constructive action and that is what I am trying to bring forward.

Mr. Bell (Carleton): That is why you are sitting over there.

Mr. Tucker: Yes; and it is probably why you will be sitting right outside of the house if you do not do something about it.

Mr. Bell (Saint John-Albert): We will be here long after you are gone.

Mr. Tucker: You people were elected on promises to deal with this problem and to solve it. We should like to see some evidence that you are going to do something about it. What have you done to date about this matter in addition to what was being done previously? You say that we cannot compete with the United States. Take, for example, what probably our farmers today, on the average, will get for their 1956-57 crop. They will receive about $1.29 on an

average. If you put that in terms of dollar purchasing power of 20 years ago, that is less than 65 cents a bushel. No amount of bickering back and forth politically is going to do anything about this problem. It is a matter that the government of Canada, with the support of Canadians, must do something about.

An hon. Member: What do you suggest?

Mr. Tucker: What I am going to suggest is this. I suggest going back to the principles of the North Atlantic Treaty Organization. As Mr. Spry says, it is something that must be dealt with by government. There is no use in sending delegations to Washington to talk to officials there and persuade them that we are being mistreated, that the wrong steps are being taken when Congress will immediately turn around and say, "We are responsible only to our constituents. If it is a good thing for us to subsidize them to the extent of seventy cents or eighty cents a bushel and to dump our wheat on the markets of the world, we will do it. After all, let the Canadian government look after its people."

This is the sort of thing that goes contrary to the agreement laid down by NATO. What I am suggesting to the government of the day is that the time has come when the western world must realize that it must stick together economically as well as in a military sense. They cannot begin to say to Canada, "We expect you to support us 100 per cent if it is a matter of fighting but not in anything else; if we take steps whereby your whole economy is disrupted, that is not of interest to us". I suggest that the time has come when the members of the Atlantic community must realize that they must work together economically as well as militarily. I suggest that the time has come when our Canadian government must say to the United States government particularly, "Here is the treaty which you signed, we want you to pay more than lip service to this treaty; we want you to live up to it; we want you to take the necessary steps to see to it that, in the words of this treaty, you are doing what you can to eliminate conflict in international economic policies and to encourage economic collaboration between any or all of them."

If we have not the economic strength to keep our producers from being driven to a position where they cannot get along at all and the United States, because of their great economic strength, are doing that, it seems to me it is time that the government says to the United States government: we have taken the attitude up to now that we cannot engage in any price war with you. We, in effect are maintaining the world price for wheat under which, by your policies, you are managing to sell a good deal more wheat than you had in previous years. But this cannot go on indefinitely. If you are not prepared to come to some agreement whereby this matter is dealt with in a fair way between nations we shall be forced, economically and financially weak comparatively as we are, to embark on some similar policy. They know that if ever Canada takes that attitude it will bring about complete and utter chaos in the marketing of wheat in the world. Then perhaps the United States government, realizing that we mean business, will act accordingly.

The situation is the same as that with regard to the St. Lawrence seaway where we took the attitude, "We want you to come in with us". But nothing happened until we said to the United States government, "Whether you come in with us or not, we are going to build it". Then they came in with us.

I think the time has come, Mr. Chairman, when we have got to tell the United States government that we must protect our own consumers; that, if necessary we are going to do something about it. They will know that if we did as they are doing this would introduce chaos into world wheat markets as far as the allies of the United States are concerned, and if this happens with regard to wheat, what will happen with regard to meat products and all the rest of it? If the United States cares anything about the economy and the well-being of the western world they will listen to suggestions that we are bound to take action if they do not agree to a fair policy toward us.

Mr. Bell (Saint John-Albert): You should have said that before June 10. It is too late now.

Mr. Tucker: I hope it is not too late. It is a serious indictment of your own government that you do not think you can do anything about it.

Mr. Bell (Saint John-Albert): You should have made that speech a year ago.

Mr. Tucker: I was asked by a member on the other side what I suggest we should do. I see, by now, that you are not doing anything to solve the terrible situation affecting the purchasing power of our western Canadian farmers. As far as I can see, absolutely nothing has been done. All you have done is make big promises, but I do not see anything on the order paper which means anything but window dressing, and it

looks to me as if a lot of people in Canada are beginning to think that you want to go to the country before the people realize that it is window dressing and only words.

An hon. Member: Your party would not have allowed you to make a speech like that a year ago.

Mr. Tucker: The time comes when a government has to act or else let things go entirely to pieces, and surely the situation in this regard has developed into a crisis more acute than at any time in the past. We have had promises and assurances from the United States that they would not do anything to interfere with our markets, but what action have they taken? Now we have the right to ask them to live up to these assurances. We have the right to ask this under the NATO treaty which they signed, and if they do not live up to these undertakings we will have to take steps to protect our own people, and they in the United States will know what that means. We can tell them we will be forced to take action under which their policy will not work nearly as well when we are not holding an umbrella over the situation.

If they know that we are obliged to act, and that we will act then, I think, they would follow, and as happened in the case of the St. Lawrence waterway they will decide to get together with us in the spirit of the great North Atlantic Treaty Organization treaty and do something to help solve this problem as allies, neighbours and friends who have the future of freedom in their hands and who will be responsible either for seeing that action will be taken to preserve what is left of freedom in the world, or that each nation will follow a separate, selfish policy and endanger the solidarity upon which alone the future of the western world and freedom can be preserved.

Mr. Churchill: Mr. Chairman, there may be others who would like to speak on the first item of these estimates, but I think that in view of the time element and the fact that I may be away for a few days I should say something from this side and answer some of the questions which have been raised.

Eighteen members have already spoken, so there has been a fairly extensive debate, but I do not wish to curtail the discussion in any way whatsoever. I should like to thank those who have spoken up to this point. Many of the speeches have been quite complimentary, and I have accepted the bouquets and also the brickbats, which I am not going to hurl back. I sat long enough in the opposition to know that it is the function of the opposition to offer criticism of the government, and the function of the government to offer a defence. That is parliamentary practice as I understand it, and a great deal of what has been said today, and of what was said yesterday, has been in the nature of constructive criticism and I accept it as such. Some of the criticism has been founded on misconceptions, but nevertheless it is the function of the opposition to offer suggestions and criticism and I believe the government has a good defence with regard to the criticism that has been put forward.

Just by way of a preliminary—and I do not propose to deal with each hon. member who spoke because there were so many—the hon. member for Trinity-Conception lamented the fact that I had not given a forecast of Canada's trading position as done by my predecessor when he introduced the estimates of his department. But the hon. member for Trinity-Conception failed to look back in *Hansard* at the report of this debate last year or he would have discovered that no forecast was made at that time. Other hon. members said my remarks were too brief. They, too, omitted to look back at *Hansard* of a year ago in which they would see that the remarks of my predecessor occupied only five and a half columns whereas my remarks occupy eight and a half.

Mr. Benidickson: Surely the minister will recognize that when his predecessor introduced these estimates he pointed out that it was the end of a long session and that he had already made a long speech on trade and trade prospects.

Mr. Churchill: Nevertheless, it follows that he did not mention all the subjects which come under the Department of Trade and Commerce. Some hon. members did mention subjects which come under the department, and pointed out that I had not dealt with them. There was particular reference to an omission with regard to the wheat problem. Nothing with regard to wheat was discussed last year, and some hon. members who spoke at length on the wheat problem today did not open their mouths with regard to it last year. However, that does not concern me in the least. I would willingly discuss any of these subjects, I am quite prepared to discuss the wheat problem, and will say something about it this afternoon just as I did yesterday afternoon during the private members' hour.

Some members have suggested that I have not stated the policy of this government with regard to trade. There has not been an opportunity for me to make all the statements here that some members would like to have heard. This has been a fall session. We thought it was going to be a short session, but

it may be a rather lengthy one. However, the opportunity to make these statements has not presented itself. Nevertheless I think the policy should be fairly clearly understood. This government is in favour of increasing Canada's trade. There is no doubt about that. This government—and I stated this at Geneva —favours remaining within the general agreement on tariffs and trade. We think that has been a good agreement and we are subscribing to it at the present time. With regard to other matters, this government thinks that steps should be taken toward increasing our trade within the commonwealth and diverting some of our purchases from the United States to the United Kingdom.

That, surely, is a distinct indication of the policy of this government. We do not want to see any restriction on trade. The hon. member for Rosthern was quoting from my statement just a few minutes ago in which I said we were not intending to interfere with trade with any country—again, a statement of policy—and he very fairly said this must mean that we are not intending to raise high tariff barriers.

With regard to increasing trade within the commonwealth several steps have already been taken. At the conference of prime ministers in London our Prime Minister raised the question concerning a commonwealth trade and economic conference. As a result of that imaginative point of view the finance ministers of the commonwealth assembled at Mont Tremblant to discuss whether or not there should be a trade and economic conference. That was the purpose of that gathering. There were some who doubted that agreement would be reached on that particular subject but by the time the conference was nearing its end there was unanimous agreement that a commonwealth trade and economic conference should be held next year. It is our hope that the conference may be held in Canada. Some of the preliminary steps for that conference will be undertaken early in the new year. That, I think, is an achievement with regard to fulfilling the statement of government policy.

There has been some misunderstanding with regard to the Mont Tremblant conference. I regret that my friend the hon. member for Kenora-Rainy River and my friend the hon. member for Dauphin should have fallen into error with regard to this question but both of them have fallen into error. As reported at page 1974 of *Hansard,* the hon. member for Kenora-Rainy River mentioned the trade proposal of the Mont Tremblant conference from the British delegates and the hon. member for Dauphin in speaking of the Mont Tremblant conference, as reported at page 1976 of *Hansard,* said:

> —an offer was made by the government of Great Britain through its representative, and the Canadian government absolutely ignored that offer.

There were various press comments in which it was said that the representatives of Great Britain had come fully prepared and that the Canadians had not done their homework. Of course, all of this is just utter nonsense. The Mont Tremblant conference was called for the express purpose of determining whether or not there should be a commonwealth trade and economic conference. That was the matter under discussion and it was decided upon. No offer was made by the British representatives at Mont Tremblant. A press conference was held and questions were asked of a distinguished visitor from Great Britain and answers were given that related to a free trade area as between the United Kingdom and Canada.

Mr. Benidickson: With our Minister of Finance present, I believe.

Mr. Churchill: The Minister of Finance was there; I was not. Had I been at the press conference and had those questions been asked of me I would have been compelled to say in truth that I had no knowledge of any such offer. The rumour goes around that this offer was made, the Canadians were unprepared for it and consequently it was rejected. I say that is utter and complete nonsense.

There was also a conference held at Wasnington and four of the cabinet ministers from Canada attended there. We had a two-day meeting of frank and free discussion and although there were many problems bothering the members of the United States cabinet at that particular time they stayed throughout the two-day conference. Again in this case we have had statements to the effect that nothing was accomplished there yet anyone who understands the different constitutions of Canada and the United States would know that documents could not be signed under the circumstances. However assurances could be given and were given and the one in which I was chiefly interested and on which I still place reliance was the assurance that the United States in its surplus disposal program would not continue its barter deals which interfered so much with the sale of Canadian wheat last year.

Mr. Stick: Mr. Chairman, I do not want to interrupt the minister but he spoke about assurances that were given in Washington. Does the minister have those assurances in writing or were they just verbal assurances?

Mr. Churchill: Verbal assurance was given but it also appeared in the communique and it was the first public assurance that was given as to the restrictive measures placed on the former barter disposal program.

I have not at any time objected to the United States disposal program other than in that field and also with regard to the heavy subsidization of flour. I think the United States deserves credit in its surplus disposal program for its generous treatment with regard to a great number of countries in this world which require food. I can see no objection whatsoever to the gifts that the United States has made to India, Pakistan, Ceylon and other countries throughout the world that are in need of food. There has been no interference there with the normal marketing of Canadian wheat.

The thing to which we raised an objection and which we will naturally watch closely was the barter deal for strategic materials and those barter deals occurred within those countries that are normally cash customers for Canadian wheat. The barter deals of a year ago resulted in the sale of United States wheat to normal cash customers for Canadian wheat in the amount of approximately 92 million bushels and we lost our fair share of that market for 92 million bushels of wheat. Certainly 22 million bushels of wheat would have been bought from Canadian sources by Great Britain had it not been for this type of barter deal. Of the 92 million bushels we might have had at least 50 million bushels and that would have brought our sale of Canadian wheat up to 300 million bushels which is the figure we would like to maintain over the years.

That is the situation with regard to the Washington conference and the barter and surplus disposal programs of the United States. I think it is wrong to say that we are objecting to the generous disposal program of the United States that is designed to aid people in need throughout the world.

Mr. McCullough: Would the minister permit a question? Is there any disagreement between the Minister of Trade and Commerce and the Minister of Finance in regard to the United States disposal program?

Mr. Churchill: No disagreement at all. We understand this problem quite thoroughly. I am simply stating in perhaps more specific terms than appeared in some of the press reports the portion of the United States disposal program to which we raised objection and I have in my turn raised objection to their surplus disposal of flour under a subsidization scheme which has seriously interfered with the sale of Canadian flour in markets that had long been open to Canadian flour. Other than that I have not raised any objection.

Mr. Marler: Would the minister answer this question, Mr. Chairman? It seems to me that frequently during the election campaign the leader of the Conservative party asserted that the United States surplus disposal programs were a direct contravention of the general agreement on tariffs and trade. The attitude which the minister is adopting this afternoon is seemingly just the reverse of the attitude taken by his leader and I am wondering what distinction there is to be made between the very general assertions of the Prime Minister and these less positive assertions of the Minister of Trade and Commerce. Do the surplus disposal programs contravene GATT or do they not?

Mr. Churchill: Mr. Chairman, we think that there has been some difficulty there with regard to GATT and when I was at the Geneva conference I mentioned our objection to the United States disposal program and particularly drew attention to the fact that commercial markets open to Canada for wheat had been interfered with by their methods. While I was at that conference the representatives of several other countries made similar remarks with regard to the United States program and the general impression was that the spirit, if not the letter, of GATT was interfered with.

Mr. Marler: It really was not a contravention?

Mr. Churchill: I have not pinned it down to an actual contravention of some particular article. I did not say so in my speech but I think the general spirit of GATT was contravened.

While I am speaking with regard to wheat may I say that the wheat program of the Canadian government has I think been made clear in answer to questions in this house and elsewhere. I think that some hon. members are overlooking the fact that the sale of our Canadian wheat is in the hands of the Canadian wheat board and is not the sole responsibility of whoever happens to be the Minister of Trade and Commerce.

Mr. Benidickson: That is not what was said during the election campaign.

Mr. Churchill: The wheat board has certainly the direction of the sale of our wheat. Now, I think that a good vigorous selling campaign is under way. I went with representatives of the Canadian wheat board to the United Kingdom and to Europe in September and met with over 200 representatives of the grain trade in the countries there. They wanted one thing. In the first instance they

wanted an assurance and this was what was mentioned by the hon. member for Rosthern, who has a good knowledge of these matters—that there would be no price war. They were holding back on their orders to see whether or not Canada was going to enter into a price war with the United States. I assured them that it was not our intention to enter into any such price war. We thought that stability in the trading in wheat internationally was the desirable factor. A price war is a matter of experience of the past, and when there was a price war in the sale of wheat on the international markets what happened? The price of wheat dropped to disastrous levels and the consumption of wheat over the world declined and nobody benefited. Therefore, I assured them on that point and since then things have been improving.

We discussed other matters during the course of that visit and I was assured by the representatives of the grain trade and by officials of the various governments that they wanted Canadian wheat. They are interested in the higher protein quality of our wheat of this year's crop. They wanted to deal with Canada and continue their dealings with Canada. All told it was a useful visit to the United Kingdom and to Europe.

At the time that we went there in September there was a pessimistic outlook with regard to our prospects of disposing of Canadian wheat. The situation has changed. As of December there is a feeling of optimism that we shall reach and perhaps surpass the objective that was mutually agreed upon, I would say, by the wheat board and myself in general discussions, an objective of 300 million bushels for export. The internal consumption, as I have said before, of feed, seed, and so on, amounts to 150 million bushels. The crop this year was about 350 million bushels, so we do dispose of 100 million bushels of the surplus that has been in the elevators during the course of this year.

Some hon. members will say that that is not enough, that we must sell it all at once which, of course, we cannot do. It just cannot be consumed all at once and it cannot be shipped all at once. The hon. member for Melville, who has had a long experience in this regard, said so this afternoon and he speaks with years of experience behind him. You can dispose of a certain amount of wheat but there has been a limit over the years in the amount of wheat that the world has consumed. As certain populations acquire a liking for flour more wheat may be consumed. In the more advanced countries there is a decline in the consumption of flour, therefore it begins to balance out. You cannot immediately dispose of the large surplus that is here in Canada; but an aggressive sales policy is being carried on and I am very hopeful that we shall exceed the objective of the export of 300 million bushels of wheat. That does not solve—

Mr. Quelch: What size of quota will this target permit?

Mr. Churchill: We raised that during the discussion of cash advances. It is certainly six, and it may be more.

What I am drawing attention to is the fact that there is an aggressive sales program going on. Hon. members have suggested that we accept local currencies for wheat. Well, that is equivalent to a loan. Actually, I do not see any difference between making a loan to a foreign country and accepting its local currency. If that appears to be a suitable method of disposing of wheat it might be adopted. Whether or not Canada considers that it should be done is a matter for consideration. The hon. member for Acadia, who makes very thoughtful speeches in this house I think quite properly said that if we are going to dispose of surplus production in this country we must make it possible for other countries less well endowed with wealth to purchase our surplus products. How else can we dispose of them? This brings you back, then, to his suggestion of a loan or accepting the local currencies. All these things I think should be very seriously considered because we are in this position. We have a surplus of wheat. There are countries in the world which are unable to buy our wheat and we have no desire to hold it back and have people go hungry. If ways and means can be found of transferring this Canadian wheat to hungry populations I do not know of anyone who will object.

Mr. Tucker: Mr. Chairman, I wonder whether the minister would deal a little further with the point that he made that the United States is subsidizing the export of their flour and what he said the other day, namely that we have had to cut our prices to meet that competition to our wheat by eight cents or nine cents a bushel. To what extent should the country bear the cost of meeting the subsidization by the United States treasury instead of leaving the burden on the farmers?

Mr. Churchill: It should not be a burden upon the producer, that is the farmer. I think there is an instance where a government, facing that type of competition from another government, must assist. I do not think the farmer should be the one who should carry that load when the circumstances are completely beyond his control. The same thing is true with regard to the storage problem. We have not objected to the policy introduced some years ago and which the hon. member

for Melville mentioned this afternoon. There again the farmer should not be called upon to carry the entire burden.

Now that you have drawn my attention to it, may I comment on certain remarks made in the house by the hon. member for Assiniboia who unfortunately is absent. He referred to a press report in which I was reported to have said that the western farmer did not need a subsidy. I never did say anything like that at all. What I did say on that occasion was that it was to the credit of the western agriculturist that over all these years he has managed without being subsidized, and I said that fact was not understood by a great many people in this country. Well, I was reported in the other way and the matter was played up in a rather cheap political fashion.

Mr. Johnson (Kindersley): Does the minister mean that in all those years the farmers have in fact managed without a subsidy? Their financial position is a very critical one and is a reflection of their experience in previous years.

Mr. Churchill: The hon. member is trying to twist it again. I was paying a tribute to the individual initiative and citizenship of the western farmer. I was trying to point out that in other parts of Canada that was not fully appreciated. I think that agriculture requires assistance at the present time. The government has stated that fact time and time again and the introduction of the cash advance legislation this fall was an indication of our concern over the plight of the western farmer. Strangely enough that passed without notice by some of my hon. friends who were criticizing our policy the other day and today.

May I say a word or two now with regard to trade with the United States and then mention the trade mission now in the United Kingdom and the relationship between the two. We have been talking about diversion of purchases from the United States to the United Kingdom. It is not anti-Americanism and is not so designed. The trade between our two countries will always continue to be very large. We cannot move Canada off this continent, nor do we wish to set up any barrier against our friendly neighbours. But there is no need for us to have our entire trade with the United States, and that is the point we are rapidly reaching. With 73 per cent of our imports coming from one country there is an imbalance and we think that imbalance can be corrected in a natural way and without government interference.

We thought the natural way would be to encourage greater imports from the United Kingdom. It is a two-way street. Canada will benefit just as the United Kingdom will, and to my knowledge no one who lives in western Canada has raised any serious objection to the Canadian trade mission which has gone to the United Kingdom because we who live in that part of the country know so well that the more dollars that are earned by the United Kingdom the more opportunity there is for us to maintain our best market for Canadian wheat. The export of 100 million bushels a year over the years is the most stabilizing factor in our wheat economy, and there is the market, the United Kingdom. If dollars are available to the United Kingdom—

The Acting Chairman (Mr. Rea): Order. I am sorry to have to tell the Minister of Trade and Commerce that his time has expired.

Some hon. Members: Go ahead.

The Acting Chairman (Mr. Rea): Is it the wish of the committee that the minister continue?

Mr. Tucker: I will ask the minister a question and then he can go on for another 30 minutes. Before he concludes I hope he will say a word on how much money has been paid out under the cash advance policy. I do not want to interfere with what he is saying now but I would ask him to do that before he concludes.

Mr. Churchill: I do not have the figures with me for that but I think that can be answered when we come to the special item in the estimates with regard to the grain commissioners. I was saying that as the United Kingdom earns dollars there is a greater chance for the sale of Canadian surplus products in the United Kingdom. We want to regain our market there for lumber, fish, apples and other things which we used to sell to the United Kingdom in days gone by. The difficulty with the imbalance of our trade with the United States is simply that the United States does not require those very products in the way that the United Kingdom does because they grow their own. For so many years the United Kingdom was our best customer for wheat, lumber, apples and so on.

The mission to the United Kingdom has as its purpose the correction of this imbalance in our trade. There have been some misconceptions with regard to the mission. Some people think they are over there to interfere in some way with Canadian industry. That is not so. The members of the mission are sound and serious businessmen who are concerned with the future of Canada. The mission is interested in attempting to

find in Great Britain those products which can be brought into Canada and take the place of things we are now buying from non-commonwealth countries. That is what they are doing. They are not there to see what can be imported from the United Kingdom in direct competition with the Canadian manufacturing industry or Canadian producers.

Mr. Benidickson: What will they do if they find such an item?

Mr. Churchill: On the other hand, trade is competitive and I suppose there may be—there has been, of course—competition between United Kingdom manufacturers and producers and Canadian manufacturers and producers. But the prime purpose of the mission is not that and it is incorrect to attempt to place emphasis on that.

Let me give hon. members a view from the United Kingdom itself with regard to the mission. Some hon. members have made a little fun of statements I have made with regard to the Canadian trade mission in the United Kingdom. That is all right. It is good parliamentary practice. I have indulged in it myself and I may again because I like a little political infighting from time to time. But at the present moment I will just give this comment rather than any of my own. I have here an article which appeared in the *Globe and Mail* of December 6. It is a Canadian Press dispatch from London which summarizes articles in the Manchester *Guardian* and reads in part as follows:

> The *Guardian*, in a leading editorial, says the mission's tour of British industrial centres, now in its second week, "has been approached by both sides with an enthusiasm and imagination that neither country, perhaps, really expected."
>
> In past editorials, the newspaper expressed doubts as to the purpose and possible results of the mission, fearing that the Canadians were more interested in selling their own products than in buying British goods. It had also taken a pessimistic attitude towards Britain's ability to satisfy Canadian customers with prompt deliveries and adequate servicing. But the *Guardian* now says there never was much doubt that Canadians would be glad to buy British goods, "provided they knew that we had the goods they wanted at the right price and at the right time."
>
> It urges British businessmen to follow up the Canadian visit by sending missions of similar calibre to Canada and to counter U.S. salesmanship with a more vigorous selling program of their own.

Now that, Mr. Chairman, is a more objective view of the purpose of the mission and the success it is achieving than I am able to give the house because I was there with the mission, and hope to return to it, and you may naturally think my views are a bit biased. The Manchester *Guardian*, which started out by being pessimistic with regard to the mission, has now changed its opinion and is urging British businessmen to take a greater interest in Canada. When people ask me what are the results of this mission I think they may be seen there in the comments of the Manchester *Guardian*. We will have an increase in trade between the United Kingdom and Canada, and without any doubt I think we will see British trade missions coming over to this country to see what they can buy from us, to see what they can establish in this country in the way of branch industries and so on. They are being better informed with regard to the methods of operating in the Canadian market.

Some people have said that if you send a mission that indicates there has been a failure on the part of your commercial representatives abroad. I do not think the hon. member for Melville would agree with that because he drew our attention to missions in the past which were also successful. The purpose of this trade mission is to raise the thing a little above the level of ordinary commercial dealings, to stir up enthusiasm, build up morale and create greater interest. I think that will be the result of this trade mission, just as it was the result of the ones mentioned by the hon. member for Melville in the course of his speech.

I have endeavoured, Mr. Chairman, to deal with some of the major points that were mentioned this afternoon. I have not intentionally omitted comments on any other matters that were raised. If any member of the committee wants me to comment on some particular point, I am quite prepared to do so. I thought at this stage I would deal with these major matters that have been the subject of discussion during the course of our meeting this afternoon.

Mr. Quelch: I should like to ask the minister a question. He referred to the fact that selling wheat is the responsibility of the wheat board, and not so much his. He has referred also to the fact that other countries are subsidizing their wheat producers. I am wondering if the government is giving any consideration to supporting the price of wheat so that the Canadian farmer will not, in the future, have to compete with the treasuries of other nations, but will have the Canadian treasury behind him in the same way the wheat producers of other nations have the treasury behind them. In other words, is the government giving any consideration to meeting the request of the farm union that a deficiency payment be made on wheat for the crop year 1956-57?

Mr. Churchill: I have been giving a great deal of my time to these problems that affect the wheat grower. This question of a deficiency payment is one to which I have

been devoting as much spare time as I have had available. When I was at a meeting at Regina some time in November, I was asked to give—it was one of those neat little questions—my definition of deficiency payments. Two hundred farmers sat there waiting to see what I would say, but they did agree I had defined the thing pretty well by the time I was finished.

I am interested in that. The government has declared that it is interested in trying to correct this difficulty that has faced agriculture right across this country, not only in the western provinces. The first question my hon. friend asked me, or the comment he made, was about my not having responsibility for the sale of our wheat. I am not attempting to dodge my responsibility in this regard. All I am attempting to point out is that I, alone, am not responsible for the sale of Canadian wheat. The wheat board meets every day during the working week and discusses the sales program. I cannot sit in at those daily meetings and determine whether or not a cargo of grain should go from Vancouver or Montreal or should go to this country or that. In so far as the government has a responsibility, along with the wheat board, for the sale of our products, we are accepting that responsibility.

Mr. Zaplitny: I should like the minister to clear up one particular matter to which he referred this afternoon. I refer to the objections that were raised by his government at the conference that was held with representatives of the United States government concerning the surplus disposal program of the United States. I think the minister set out today what could be regarded in the United States, as well as in other countries, as a very important statement of policy. Certainly, it was at variance with the statement made recently by the Minister of Finance on the same subject. It was for that reason my colleague, the hon. member for Moose Mountain, immediately asked whether or not the Minister of Trade and Commerce agreed with the Minister of Finance on this question.

Today the minister stated, without any reservation, that he has no objection to the United States disposal program, with two exceptions; one, barter deals, and the other the subsidization of flour. Since he is speaking on behalf of the government in this matter he may be sure that the statement will be widely publicized in the United States. Certainly, the Minister of Finance was not taking the same view. As recently as November 6—I will quote the exact words of the Minister of Finance on that question as found on page 814 of *Hansard* for November 6, 1957—in reply to a question put to him by the hon. member for Humboldt-Melfort, the Minister of Finance said this:

> 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.

Now, when you read that statement alongside of what the minister stated today I am afraid it is going to give rise to some serious misunderstanding. Obviously on November 6 the Minister of Finance was speaking for the government. He was not expressing his own opinion only because he set forth the point of view of the Canadian government that the whole disposal program of the United States was very damaging to the disposal of Canadian wheat. The Minister of Trade and Commerce informed not only the house but the world that he has no objection to the United States disposal program, with the two exceptions that he specified, barter deals and subsidization. This leaves a wide field between the views of the Minister of Finance, speaking for the government on November 6, and the Minister of Trade and Commerce, speaking again for the government, on this date. Unless that matter is cleared up, I am afraid the statement of the minister today, taken alongside of the statement of the Minister of Finance is going to create a great deal of confusion in the minds of the United States government and of the people in Canada and elsewhere in the world.

Mr. Churchill: I thank the hon. member for drawing my attention to that statement. When the Minister of Finance was making that statement I think he was considering the effect of the United States surplus disposal program on what you might call the normal commercial markets. I think it would be helpful if I put on the record the statement I made at the conference at Geneva where I said this:

> I wish now, Mr. Chairman, to refer to a particular problem of concern, not only to Canada, but also to many other countries. It arises from the United States program of surplus disposal, particularly of wheat and other grains. This program has grown enormously in recent years, with increasingly adverse effects upon Canada. The Canadian government has always made clear that it does not object to genuine aid programs. Indeed, within the limits of our country's own capabilities, Canada has done its share and I hope will continue to do so. Our concern is rather with programs for dumping surpluses abroad in such a way as to destroy normal markets.
>
> Our main objection is that, in one way or another, by the payment of subsidies, by barter,

and by sales for local currency, the United States has been disposing of its wheat on world markets in such volume that great damage is being caused to commercial markets for Canadian wheat and flour.

It is that interference with commercial markets to which objection is taken. I mentioned particularly their barter deals. I have not had any instances of their local currency arrangements which have seriously damaged Canadian sales of wheat. But if those local currency arrangements are made in normal commercial markets, naturally that is damaging to Canadian sales; and also long term loans, as I say, of the 40-year variety and so on. What I intended to emphasize was that the barter deal and the heavy subsidization of flour were the two things with which I was most urgently concerned. Any program of aid to the less well endowed countries of the world by the United States could not raise any objection on the part of Canada. For greater clarity I perhaps should have dealt with the subject of long term loans and the acceptance of local currencies. But as I say, at the moment I am not aware of any of those projects interfering seriously with Canadian sales. So long as the normal commercial markets are not interfered with, we cannot object to a generous United States surplus disposal program.

Mr. Zaplitny: In order to clear the matter up may I say this. I consider this to be of great importance. I do not wish to be unkind to the minister at all but it seems to me that he is dragging something in by the ears at this point. His statement was fairly categorical, that he had no objection to the surplus disposal program of the United States, with two exceptions which he specified. Now he is dragging in long term loans. Are we to understand that that would be his third specific objection?

Mr. Churchill: That will be a third objection, if they interfere with normal commercial markets by that practice. But as I say, at the moment I have no knowledge of any interference along that line.

Mr. Zaplitny: I am afraid the minister, with his much greater command of vocabulary, can get away with what he is now saying because he qualified his statement by saying "If it interferes with normal commercial patterns or practices". I think the minister will admit that every form of competition in trade interferes in one way or another with commercial transactions. That is a qualification which hardly meets the definition of what he is objecting to. Let me put my question in this way. Let us forget what the Minister of Finance said the other day. He says many things that are better forgotten anyway. Let us forget that and let us start from today. As of today, do we understand that the policy of the government now is that with the exception of barter deals, the flour subsidy, long term loans and acceptance of local currencies, it has no objection to the surplus disposal program of the United States?

Mr. Churchill: In fairness to the United States may I say this. I think it is sometimes overlooked that a great part of their surplus disposal program has been for the advantage of countries in the Far East. If we talk about and criticize their surplus disposal program without some qualification, quite obviously we are saying that that is wrong. We do not say it is wrong to assist India, Pakistan, Ceylon, Malaya or any of those countries in the Far East.

I do not know whether it is worth while to continue discussion along that line but, as far as I am concerned, it is perfectly clear in my mind that if there is no interference with the normal commercial market for Canadian wheat, that is the United Kingdom and those countries in Europe such as Holland, Belgium and Switzerland; and our market in Japan and other areas in which we have done great trade in flour over the years, there is no objection. If there is no interference with those traditional normal commercial markets how can you possibly object to an aid program to underdeveloped countries?

Mr. Quelch: Let me put a specific example to the minister. Suppose a country in Asia wanted to buy wheat from the United States and that country did not possess the dollars with which to pay for that wheat. Suppose the United States then agrees to accept that country's local currency or to make a long term loan. You would not have any objection to that particular deal?

Mr. Churchill: That would be a country with which we had no trade at all with Canadian wheat. There would be no objection.

Mr. Hahn: I was interested in the minister's statement with reference to the acceptance of sterling. I was going to ask him this question. Did the question arise in the trade mission as to whether or not we were prepared to accept sterling? Did any discussion take place with regard to that matter.

Mr. Churchill: It has been difficult to have many discussions yet. During the course of this coming week opportunities will arise for discussions and it is quite possible that subject will come up.

Some hon. Members: Six o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: I presume that Monday will be private members' day, as agreed?

Mr. Green: Yes. The program will be as I announced last evening; Monday private members' day and Tuesday a one-day motion to go into supply.

Mr. Chevrier: Is there to be any indication now as to what we shall be taking up on Wednesday?

Mr. Green: No. I am very sorry but I am unable to say this evening.

At six o'clock the house adjourned, without question put, pursuant to the order of the house passed on December 2, 1957.

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:

OKANAGAN VALLEY FRUIT TREES—FROST DAMAGE

Question No. 258—**Mr. Christian:**

1. During each of the years 1949 to 1956, both inclusive, what information is on record as to the number and varieties of fruit trees in the Okanagan valley, British Columbia, that have suffered from frost damage or winter kill?

2. What has been done by the government to compensate fruit growers of the Okanagan valley for such damage?

Answer by: **Hon. D. S. Harkness (Minister of Agriculture):**

1. During the years 1949 to 1956, both inclusive, there were two periods of serious frost damage or winter kill in the Okanagan valley of British Columbia, one during the winter of 1949-50 and the other in November, 1955.

According to information provided by the British Columbia department of agriculture, mortality as a result of the severe winter of 1949-50 was as follows:—

	1950 tree survey trees	Mortality trees
Apples	1,117,215	107,028
Peaches	343,534	111,313
Apricots	186,364	37,981
Cherries	100,039	18,446
Pears	333,807	22,720
Plums	16,149	5,149
Prunes	200,200	33,973
	2,297,308	336,610

Mortality as a result of the November, 1955, freeze was as follows:—

	1955 tree survey trees	Mortality trees
Apples	1,067,850	126,162
Peaches	344,579	28,041
Apricots	201,190	17,759
Cherries	149,208	60,272
Pears	383,235	5,092
Plums & Prunes	177,951	34,722
	2,324,013	272,048

2. No financial assistance was provided by the government of Canada to compensate the fruit growers of the Okanagan valley for such damage.

HOUSE OF COMMONS

Monday, December 9, 1957

The house met at 2.30 p.m.

PRIVILEGE

MR. CHRISTIAN—OPPORTUNITY OF MEMBERS TO SPEND CHRISTMAS WITH FAMILIES

Mr. F. C. Christian (Okanagan Boundary): Mr. Speaker, I rise on a question of privilege. This question of privilege involves the right of members to see and be with their families at Christmas, to meet with their constituents and become better acquainted with their problems, and to exercise the privileges which are within the grasp of certain Ontario and Quebec members. The question I wish to ask of the Prime Minister is this. In view of the statement by the house leader—

Mr. Speaker: Order. Will the hon. member defer his question until we come to the question period. If he has a question of privilege he wishes to raise he may do it now, but I understand he is about to put a question.

Mr. Christian: As a question of privilege may I put the question?

Mr. Speaker: If it is a question of privilege the hon. member has the opportunity to state it.

Mr. Christian: I have stated the question of privilege already, Mr. Speaker.

In view of the statement by the house leader that we were elected not to run home for long holidays but to do the business of the country, and in view of the statement in the *Globe and Mail* of December 9, 1957, that there may be difficulty in finishing the business of the session before January 14, 1958, should the members of parliament cancel their plans to return home for Christmas?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, with the leave of the house, the right hon. Leader of the Opposition spoke to me earlier and I told him I would make a statement on this question tomorrow. I could have made it today, but under all the circumstances I think tomorrow will be sufficiently early. However, the hon. member may be assured of one thing. There is going to be nothing in the nature of denial to hon. members of their opportunity to spend their Christmas holidays at their homes and in their constituencies.

EXCISE TAX ACT

Hon. Donald M. Fleming (Minister of Finance) moved for leave to introduce Bill No. 231, to amend the Excise Tax Act.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on a point of order, may I ask Your Honour at what point in the proceedings one should ask a question as to whether or not it is appropriate to introduce a bill amending tax legislation without the matter first being considered in committee of ways and means?

Mr. Speaker: If there is a question of order with respect to this matter it should be raised as soon as I have put the question. Is it the pleasure of the house that the hon. minister shall have leave to introduce the said bill?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I would ask you to consider the point of order that it is not appropriate to ask parliament to amend any tax legislation without the matter first being considered by the committee of ways and means. We had something to say about this matter on Friday evening, and I will not take the time of the house to repeat what was said on either side of the issue at that time except to point out that I read from passages in Bourinot to the effect that in the Canadian House of Commons any change in taxation measures must first be dealt with in the committee of ways and means.

I offer today in the main just one other piece of evidence. It is difficult to find many instances in the past where bills amending taxation statutes have done nothing else but reduce taxes or provide alleviation. However, there were three such examples in April of this very year. At that time, when Hon. Mr. Harris, the former minister of finance, brought his budget before the house, he presented measures amending the Excise Act, the Excise Tax Act and the Income Tax Act. I have carefully compared the provisions of chapters 25, 26 and 29 of the statutes of this year with the resolutions which were introduced prior to the introduction of those bills. I find that there is nothing in the bills except reduction or alleviation of taxes. I find that every point of reduction, every point of alleviation indicated in the bills is covered in the resolutions.

I am just as sure as I am certain that I am standing here that last spring, when the

former government was trying to get as much business through as possible so we could get out on the hustings, Mr. Harris would not have brought in those resolutions preceding those bills if it had not been made clear to him that such was absolutely necessary. There are a few other examples in history, but these are the most recent ones, making it clear that even when there is nothing in a bill but the reduction of taxes it is still a matter that should be considered in committee of ways and means.

There is a good deal of language in the authorities about upsetting the balance of ways and means. When private members seek to move changes in taxation, even by way of alleviation, that language is thrown at them; that we cannot upset the balance of ways and means. I would also point out that if it is in order for the minister, without a prior resolution, to introduce a bill amending the Excise Tax Act, the purpose of which is to reduce a certain tax from 10 per cent to 7½ per cent, what is to prevent me from introducing a bill reducing it from 7½ per cent to zero? If it is in order for the Minister of Finance to introduce a bill amending the Income Tax Act, without a prior resolution, providing for an increase in the exemption for dependants under the Income Tax Act to the extent of $100, what is to prevent me, without a prior resolution, from introducing a bill raising that exemption to a much higher figure?

The whole basis of ways and means resolutions is to keep authority for the balance of ways and means, authority for financial policy, in the hands of the executive subject to approval by parliament. I submit, Mr. Speaker, that this is a serious departure from our practice which the minister is asking parliament to follow.

It is surely not necessary for me to say, but perhaps I had better do so before the minister speaks, that this is not a case of questioning the substance of this or any other bill that may be introduced regarding taxation. But even when measures are placed before parliament which parliament may welcome and pass unanimously, it seems to me it is still desirable that they be dealt with by parliament according to the rules and practices of the house.

I say again, Mr. Speaker, that all of us recognize that if it had not been necessary to have ways and means resolutions prior to tax reduction bills, Mr. Harris would not have had the house take up the time on ways and means resolutions as was the case last April. Therefore it is my contention that whatever welcome the house may be prepared to give to this legislation, it should be preceded by consideration in committee of ways and means.

Mr. Fulton: Mr. Speaker, if I may speak to the point of order for a moment, there was some brief discussion of this matter on Friday night, and the hon. member for Winnipeg North Centre has now put it forward formally by way of a point of order at this stage. I think, therefore, it is essential that we dispose at once of the suggestion made inferentially now and made very definitely on Friday night that somehow or other the procedure now being followed by the government is an abuse of the rights of parliament because, of course, it is no such thing.

This house is not being denied any opportunity which it should have to discuss these proposals. I quite understand that perhaps it might be unwelcome to some hon. members opposite that they have to discuss these proposals, because in spite of what they have said it is obvious that whatever may be the merits of the proposals, every opportunity is sought by them to oppose progress on these measures simply for the sake of opposing.

Mr. Knowles (Winnipeg North Centre): I am amazed at that statement coming from my hon. friend.

Mr. Fulton: The hon. member has referred to what took place on the budget last spring. As I shall have occasion to point out in the course of my remarks in somewhat greater detail, the reason the bills for reductions of taxation in the spring budget were preceded by resolutions in committee of ways and means was precisely because at that time we were considering a budget, the annual financial presentation of the Minister of Finance, and discussion of the whole financial picture of the country was before the house, as it is required to be.

Our rules provide most clearly that that discussion, which takes place once a year, is made on the motion for committee of ways and means. It is for that reason that that committee was set up at that time, to pass the resolutions which were preparatory to the introduction of the bills arising out of the budget. But here we are faced with an entirely different situation. This is not a budget. We are working within the confines of the budget proposals made to parliament and approved by parliament last spring. This is not an annual financial presentation and therefore a resolution for committee of ways and means is not required.

I should like to elaborate a little on the two aspects of this motion. First not only

is what is being done now strictly within the rules of parliament, but also there is absolutely no attempt being made, nor will the result be, to deny parliament any of its opportunities for full discussion of what is proposed.

As I have said, this is not a budget; the budget was delivered last spring. The proposals of the Minister of Finance outlined on Friday and now being laid before the house in the two bills, introduction of which is asked today, are operating within the scope of that budget. Bourinot and Beauchesne are both authorities for the proposition that there shall be an annual financial statement made by the Minister of Finance. That is the budget. Rule 58 makes it clear that such budget should be delivered on the motion for committee of ways and means.

Now, that fact makes it clear, and the wording of the rule and the authorities—

Mr. Speaker: Order. If the hon. member would permit me to interrupt him I think that the neat point of order is whether or not the introduction of this bill should be preceded by a resolution. I am not concerned with an inquiry into whether or not there is a budget or a budget debate. As I understand the point of order, and perhaps the hon. member would shorten the discussion by confining himself to it, it is the question of whether a resolution is needed before this bill can be introduced.

Mr. Fulton: I think the point I am making now is relevant to that matter, because if you have such a resolution you can only have it in committee of ways and means. That requires that a motion to go into committee of ways and means must have been made. My point is that the motion for the committee of ways and means is only called for in this context when and if the Minister of Finance is presenting his budget. But there is here no budget—because we are operating within the limits of the general financial structure which was before parliament and approved by parliament last spring—there is now nothing before the house, nothing presented by the Minister of Finance, which calls for the setting up of a committee of ways and means for consideration of the annual financial statement and of the resolutions that arise out of it. What the Minister of Finance has done here is simply to report that within the limits of the budget presented last spring it is possible to reduce certain taxes, and the reductions he proposes in those taxes will accordingly be laid before the house in the two bills which he is seeking to introduce this afternoon.

It is therefore absurd to suggest that parliament is being denied any opportunity which is appropriate to it simply because we do not have a full annual budget, a resolution and a discussion in the committee of ways and means. There will be the fullest opportunity to discuss the merits of the proposals during debate on the bills which will be introduced by the Minister of Finance—if hon. members will permit us to introduce them—and it will be very interesting to hear what the opposition has to say because—

Some hon. Members: Order.

Mr. Speaker: I did not check the hon. member before, but he is definitely out of order in introducing political arguments into this discussion, and I hope he will not proceed in that vein in discussing the point of order.

Mr. Fulton: Mr. Speaker, I would point out that this aspect was introduced into consideration of the subject on Friday night. However, to continue now on the question of the resolution itself: my second submission is that it is not necessary to have a ways and means resolution—which can only come out of a committee of ways and means—when the proposal, and the only proposal before parliament, is a proposal to reduce taxation. I should like to repeat the reference made on Friday night to Erskine May, 15th edition, at page 764 where it is stated:

> Provisions for the alleviation of taxation are not subject to the rules of financial procedure. The repeal or reduction of taxes, for instance, by the finance bill, is sometimes preceded by a specific ways and means resolution but this procedure is neither necessary nor usual. Thus, provisions for the repeal or reduction of taxation, the granting or extention of exemptions, the creation or increase of drawbacks, etc., may be presented in bills or inserted by amendment without the preliminary sanction of a ways and means committee.

These two bills, the bills which it is proposed to introduce today, propose only reductions in taxation, as has been made clear, so the citation in May is clearly applicable. And here, of course, I join issue with the hon. member for Rosetown-Biggar (Mr. Coldwell), who suggested on Friday that May was not applicable to procedure in the Canadian house. I make no comment as to why it should be that suddenly on this occasion May, who so often in the past has been relied upon in that quarter, should be disowned; but if the hon. gentleman does not wish to accept the authority of an English text book we can rely on a Canadian authority which fully supports the position stated in May.

You do not need a committee of ways and means or a resolution of the ways and means committee when the only proposal is to reduce taxation. Authority for that statement is to be found in Bourinot, 4th edition, page

431, where, discussing the functions of the committee of ways and means he says, at the bottom of that page:

> It is the function of this committee to impose rather than repeal taxes.

The bills here are for a reduction, which is to that extent a repeal of taxation, and therefore they come within the scope of that citation.

Bourinot then discusses the function of the committee of ways and means and the rule that a new tax must be imposed in that committee. In the course of the discussion he makes it clear that the requirement for a ways and means resolution preceding a taxation bill exists only when the bill or the proposal is to increase taxation or to impose new taxes or to bring a new group or class of taxpayers within the liability for existing taxes. Quite clearly, in accordance with the outline given by the Minister of Finance on Friday night, none of those results would follow from these bills. I refer Your Honour and my hon. friends opposite particularly to Bourinot's discussion of this matter on pages 505 and 506, where he discusses the type of case in which it is not necessary to have a resolution of the ways and means committee before introducing such a bill. For instance, at the top of page 506 he says:

> A bill merely declaratory in its nature, and involving no new charge, need not originate in committee of the whole.

And of course the committee of ways and means is a committee of the whole. He continues:

> Neither is a committee necessary in the case of bills authorizing the levy or application of rates for local purposes by local authorities acting in behalf of the ratepayers.

Then he goes on with a list of the exceptions, and about half way down the paragraph he says:

> Nor does the rule apply to bills imposing charges upon any particular class of persons for their own use and benefit.
>
> Nor to bills indemnifying members for penalties they may have incurred for violation of an act.

And then this is the particular sentence in point:

> Nor to bills having for their object the diminution or repeal of any public tax provided such bills do not affect trade;

And of course these bills do not affect trade; they are specifically for the repeal or reduction of a public tax, the income tax on the one hand and the excise tax on the other.

Mr. Martin (Essex East): Will the hon. gentleman give us the reference which he has just made?

[Mr. Fulton.]

Mr. Fulton: Page 506, Bourinot's fourth edition. Then if there were any further question—if there was any doubt left that the only time you need a ways and means resolution is when you propose to increase a tax, Bourinot points out at page 507:

> Bills consolidating and amending statutes are frequently brought into the house with clauses containing charges on the public revenue, but it is only when these clauses impose new burthens that it is necessary to consider them first in a committee of the whole.

Now, Mr. Speaker, on the basis of those authorities, both English and Canadian, it is my submission that the course proposed to be followed here is both strictly within the rules of the house, and not only within the rules of the house, but designed to present to the house every opportunity which the house should have to discuss the taxation proposals being made by the Minister of Finance.

It is only if the Minister of Finance were to be introducing a budget which varies or enlarges the financial scheme laid before parliament and approved by parliament last spring, that it would require a committee of ways and means and a resolution in that committee. Where, however, as in this case, the minister has made it perfectly clear that he is operating within the limits of the budget already approved by parliament, and merely seeks to reduce taxes in certain particulars—and can do so and still meet the requirements also approved by parliament—then in such a case, and that is the present case, no resolution or committee of ways and means is necessary.

I therefore suggest to my hon. friends, Mr. Speaker, in all seriousness, that they withdraw their objections and allow the house to proceed with the bills before it so the public may at the earliest possible moment obtain the benefit of the reductions proposed in taxes.

Some hon. Members: Oh, oh.

Mr. Knowles (Winnipeg North Centre): Might I ask a question of the hon. minister, Mr. Speaker. Perhaps I should be fair and say I have two questions.

First of all, if the minister contends that the Minister of Finance is not introducing a budget but is merely working within the framework of the budget brought down last spring by Mr. Harris—and I do not go along with this premise, but if this is his premise—does it not then follow that the proposals of the present Minister of Finance are upsetting the balance of ways and means established by Mr. Harris' budget last spring? On that basis is it not therefore necessary that we go into committee of ways and means?

My second question relates to the quotation the minister read from page 506 of Bourinot's fourth edition. The minister of course knows that Bourinot on other pages, such as page 418, makes it clear that all propositions relating to the tariff and taxation of the country must be considered in committee, and on page 438 he makes it clear that even reductions must be considered in committee of ways and means. Is it not also true that the quotation the minister read from page 506, if he had continued to read it, would have defeated his case? It says:

> Nor to bills having for their object the diminution or repeal of any public tax;—

There is a footnote there, footnote (q), which brings our attention to the only case in Canada, which was in 1882, of a bill to repeal duties on promissory notes. On that page Bourinot goes on to say:

> —provided such bills do not affect trade; and then they come under the special rule on that subject.

Well, the Minister of Finance certainly claims that this bill does affect trade. Let us read the next sentence or two:

> As an illustration of the strictness with which the Canadian commons observe the rules respecting trade, it may be mentioned that in the session of 1871, the house went into committee on resolutions to exempt paraffine wax, lubricating oil, and other articles from excise duty, and to reduce that duty on certain articles in the province of Manitoba. When the house had agreed to these resolutions, a bill was brought in; but before it had gone through committee, it was considered advisable by the government to reduce the duty on certain spirits manufactured from molasses in bond; and accordingly resolutions were passed in committee, and when adopted by the house, referred to the committee on the foregoing bill.

Does the minister not think that by taking that one sentence or two out of the context of the paragraph he missed the whole point? There was this one exception in 1882 having to do with the duties on promissory notes, which it was felt did not affect trade; but the point of the whole paragraph is that the Canadian commons is strict with regard to these matters in insisting that they be dealt with in committee of ways and means.

I confess, Mr. Speaker, that my two questions have become a short speech, but perhaps the minister will answer them. First, if it is not a budget, is it not upsetting the balance of ways and means of the budget brought down by Mr. Harris? Second, does not the quotation from Bourinot which he read when read in full, support our contention that this matter should go to the committee of ways and means?

Mr. Fulton: No, Mr. Speaker, I do not agree with that at all. To deal with the second point first, I did read the line referred to by the hon. member. I read the full sentence, as follows:

> Nor to bills having for their object the diminution or repeal of any public tax; provided such bills do not affect trade;—

I stopped there because I thought even the hon. gentleman would understand the sense in which the word "trade" is used there; but in case he did not it should have been made clear to him by the rest of the paragraph which he did read, which made it clear that on the occasion when the Canadian commons did insist on a resolution to go into ways and means on a bill to reduce duties it did so because they affected trade—that was the argument put forward at that time —it did so because clearly the proposition then before the house related to a matter of a differential in duties between products originating in certain provinces. It is obviously referring to trade in the specific sense of trade between provinces, trade within or outside Canada, that the words "provided such bills do not affect trade" are used to suggest that a bill proposing to reduce a special excise tax which was placed on automobiles for war purposes and was placed on automobiles generally, regardless of where they originate in Canada and without reference to any special concession to one province or another—to argue that the reduction of such an excise tax is a bill affecting trade seems to me to be stretching a point even beyond the extent to which the hon. member usually goes. There is nothing in the argument he has put forward on that point.

Mr. Coldwell: I am surprised at the Minister of Justice, who spent many hours in the room of my hon. friend from Winnipeg North Centre learning procedure from him.

Mr. Fulton: The other point he raises, that it upsets the balance of ways and means, can hardly be supported either. The fact that there is a reduction in taxes will, it is true, reduce the revenue; but the whole proposition is within the scale and framework of the financial proposals outlined by the previous minister of finance. It seems to me that the bills lay before the house a simple proposition. Does the house agree with the government in its wish to reduce certain specific taxes? It does not ask the house nor is it necessary to ask parliament to discuss the whole ambit of the fiscal and financial position of the country to arrive at the simple decision: do you want a reduction of specific taxes or not? That is the

whole question before the house, however much the hon. member may try to depict it otherwise.

Mr. Tucker: Mr. Speaker, I am rather surprised that the Minister of Justice should have dismissed the argument of the hon. member for Winnipeg North Centre when it was the intention of the Prime Minister to offer him a certain position. However, I would draw your attention to section 54 of the British North America Act which is, after all, what governs the Canadian parliament more than any citation from May or anything of the sort which is based on the unwritten constitution of the British parliament. I would cite section 54 to Your Honour, having every confidence that you will give full weight to a citation from our own constitution. Section 54 of the British North America Act reads:

> It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address, or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to that house by message of the Governor General in the session in which such vote, resolution, address, or bill is proposed.

In other words the recommendation must be in the session in which the matter is proposed, and I submit to Your Honour that this was written into the British North America Act to preserve the responsibility of the whole government for any interference with a tax or any interference in the expenditure of public moneys. It is not enough for a minister to introduce a bill; he must be in a position to say that the governor in council, having been made acquainted with the subject matter of this interference with taxation, recommends it to the house. This, I submit, is a fundamental part of our constitution. It cannot be changed by any rules or any citations from May or similar sources, because it is fundamental. If it be argued that a tax can be done away with in part without the government taking the responsibility for it, it can equally be argued that if one tax can be done away with in part the whole taxation system of our country could be done away with. This would strike at the very basis of responsible government as it has been set up under the British North America Act.

This very point has come before the house on previous occasions and I would cite to Your Honour, for example, citation 562 of Beauchesne's second edition, which reads:

> It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to that house by message of the governor general in the session in which such vote, resolution, address or bill is proposed.

Section 54 of the British North America Act is cited as the authority. Citation 566 of Beauchesne's second edition reads:

> This house will not receive any petition for compounding any sum of money owing to the crown, upon any branch of the revenue, without a certificate from the proper officer or officers annexed to the said petition, stating the debt, what prosecutions have been made for the recovery of such debt, and setting forth how much the petitioner and his security are able to satisfy thereof.

Futher citations in this part of Beauchesne with which I will not burden Your Honour go to the point that it is necessary to introduce anything having to do with governmental revenue or the expenditure on a statement by the Minister of Finance that the government itself assumes the responsibility for it by the formula that it is recommended by the governor in council.

In Beauchesne's Parliamentary Rules and Forms, third edition, similar reasoning is set forth, and it is emphasized in paragraphs 436, 437 and 438 that such legislation must originate by recommendation of the governor in council. That can only be given, Your Honour, if the matter originates in a committee of the whole house. If it be held otherwise, as has been pointed out by the hon. member for Winnipeg North Centre, then there is nothing to prevent anybody introducing a bill to do away with taxation. This would strike at the very foundation of responsible government as set out in the British North America Act.

My hon. friend, in introducing this resolution, was not able to say and did not say that the governor in council recommended it to the house; and that must be said, I submit, when a money resolution is introduced. The Minister of Justice referred to Bourinot in regard to the matter, and I think it is quite clear that the very citation he gave proves exactly the opposite to what he said. At page 505 of Bourinot's Parliamentary Procedure I find this:

> The recommendation of the crown and a committee of the whole are necessary in the case of a bill granting a drawback on imports.

Clearly that is based upon the British North America Act. If it requires a resolution and the governor general's recommendation to grant a drawback on imports, clearly the same reasoning applies to any reduction of the excise tax, because they are both the reduction of a tax. I continue with the quotation:

> In 1900 the same proceedings were followed in the case of a bill extending contracts providing cold storage on steamships beyond the provision made in previous legislation. A bill merely declaratory in its nature, and involving no new charge, need not originate in committee of the whole.

Mr. Browne (St. John's West): Read that again.

Mr. Tucker: Because there is no charge in it. The citation goes on:

> Neither is a committee necessary in the case of bills authorizing the levy or application of rates for local purposes by local authorities acting in behalf of the ratepayers.

It goes on to say that it does not apply to bills imposing charges upon any particular class of persons for their own use and benefit. I find farther on the following:

> As an illustration of the strictness with which the Canadian commons observe the rules respecting trade, it may be mentioned that in the session of 1871, the house went into committee on resolutions to exempt paraffine wax, lubricating oil, and other articles from excise duty—

This proposed bill is a move to liberate the taxpayer from excise duties, and this is the very citation given by the Minister of Justice; and it is an illustration of how Speakers in the past have scrupulously observed the terms of our constitution as laid down in the British North America Act. Here is what it says:

> The house went into committee on resolutions to exempt paraffine wax, lubricating oil, and other articles from excise duty, and to reduce that duty on certain articles in the province of Manitoba.

I draw this to Your Honour's attention:

> When the house had agreed to these resolutions, a bill was brought in; but before it had gone through committee, it was considered advisable by the government to reduce the duty on certain spirits manufactured from molasses in bond; and accordingly resolutions were passed in committee, and when adopted by the house, referred to the committee on the foregoing bill.

I cite that to Your Honour to show that even where it was a bill to reduce taxation, when it was designed to expand the application of that bill it was found necessary to go into committee in the same way. Therefore I submit, Your Honour, that in this matter you should very strictly apply the British North America Act, because this again is tied up with the rights of the commons.

Section 53 of the British North America Act sets it out very carefully that bills appropriating any part of the public revenue or imposing any tax or impost shall originate in the House of Commons. Clearly this section would apply as this is a money bill, and surely if it is held that this bill can be introduced as an amending bill without any resolution, without any recommendation of the governor in council, then I submit we are getting into the position where it can be held that bills such as this can be introduced in the Senate without any recommendation of the governor in council at all. In other words, I submit a ruling along the lines asked for by the Minister of Justice would be against the whole spirit of the British North America Act, which has been applied over and over again.

I would draw Your Honour's attention to the fact that I wish to make it quite clear that we are not opposing the purpose of the bill; but in accordance with what the Prime Minister stated over and over again in the last two years before he became Prime Minister of this country—

Mr. Speaker: Order. The hon. member is about to depart from the point of order.

Mr. Diefenbaker: I am all ready to answer.

Mr. Speaker: I warn him that while I welcome his argument on the point of order I think it is inappropriate to go beyond that. I see the hon. member for Burnaby-Richmond.

Mr. Irwin: Mr. Speaker, I have listened to the profundities of Mr. Bourinot, Mr. Beauchesne and Sir Erskine May as inscribed by Lord Campion and, so far as they guide this house, they are very useful; but the fact remains that this house itself has its own rules, and it is not necessary to proceed to a study of those various authorities so long as the rules themselves will govern us in what we do.

I have listened to the specious argument of the Minister of Justice, and I refer to his argument as being somewhat specious for the reason that he says the house is not going to be deprived of any opportunity to discuss these matters. The fact remains that while we are not being denied an opportunity to discuss them, they will obviously come up after the bills are presented to the house, which they should not be in their present form. The fact also remains that we would not be acting properly if we discussed them under the present circumstances, and that is the matter that is at issue at the present time.

I wish to draw your attention to *Votes and Proceedings* of Monday, October 14. There you will find two motions. One reads as follows:

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

That motion has been called on several occasions. The next motion reads:

> 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.

That motion, sir, has never been called. That motion has been carried on the routine proceedings of this house from day to day, showing in effect that this house has gone into committee of ways and means yet the motion has never been called. Here we are being asked to consider doing certain things to the revenue of this country, and we are

not bringing it up under the appropriate conditions laid down by our own house in rule No. 58. I am going to move, in view of the fact that we got off the rails on Friday night, seconded by the hon. member for Okanagan Boundary (Mr. Christian):

That, as from eight p.m. to the adjournment of this house on Friday, December 6, 1957, all the proceedings of this house be expunged from the records of the house and that this house do return to normal proceedings as laid down by the rules.

Mr. Pickersgill: Black Friday, all right.

Mr. Speaker: While we are discussing a point of order I think it would be improper to interrupt that discussion by entertaining any motion. Is there anyone else who wishes to assist the Speaker in coming to a conclusion? If not, I think I am prepared to deal with the matter.

Mr. Hamilton (York West): Mr. Speaker—

Mr. Speaker: I may tell my hon. friend that he can save his breath, because as I am at present disposed I am going to rule on the side on which he will be arguing. If anyone wishes to speak further in support of the point of order I will be glad to hear them, but at the present time I have come to the conclusion that the point of order cannot be sustained.

Mr. Knowles (Winnipeg North Centre): Maybe that is the side the hon. member for York West was on.

Mr. Speaker: If so, I will be glad to hear him.

Mr. Sinclair: He is no trained seal.

Mr. Speaker: I want to thank hon. members for the full discussion of this point. It is perhaps a novel point, and perhaps one that would not have arisen under normal circumstances; but here we have a budget and estimates before the house which arose not in this session and not even in this parliament. We are faced with circumstances that perhaps do not often arise.

I am sure the hon. member for Winnipeg North Centre has considered the matter very fully, as has the Minister of Justice, and that they have referred to all the authorities, including many which I have considered myself. I have read the discussion of last Friday night and I, with the assistance of the Clerk and the legal adviser of the house, have spent some time on this matter.

I think it is quite clear what is required when there is a bill to raise money, to impose a levy or a tax, is covered in that section 54 of the British North America Act to which the hon. member for Rosthern referred. We have our own standing order No. 61 which presumably reinforces the section

of the British North America Act which says that parliament shall not raise money except by the procedure of a resolution and discussion in a committee of the whole house. That is the safeguard of the people that taxes will not be raised lightly, and only after opportunity of discussion, indeed after repeated opportunity of discussion of the tax that is to be raised.

This question before us, however, is quite different from that. It is a question of a bill which on its face—and we have the bill here—is not a bill to raise money but a bill to reduce taxation. Without going through the citations again in Bourinot, Beauchesne and May, I think I can indicate very briefly to the house the opinion I accept. It is set out in May, fifteenth edition, at page 764. There you have a statement under the heading "Alleviation of Taxation", and it is in these words:

Provisions for the alleviation of taxation are not subject to the rules of financial procedure. The repeal or reduction of taxes, for instance, by the finance bill, is sometimes preceded by a specific ways and means resolution but this procedure is neither necessary nor usual.

I find that in this parliament the same thing has happened on occasion. A measure to reduce taxation has been preceded by a resolution, as was pointed out by the hon. member for Winnipeg North Centre, and sometimes it has not. There are quite a number of instances where bills to reduce taxation have been introduced without being preceded by a resolution and the necessity of the procedure which was argued for by the hon. member for Winnipeg North Centre.

I will not read any more of that citation. The only question in my own mind was whether that British practice might be applicable in this parliament, and I find that both Bourinot and Beauchesne assume that it does and, in fact, say so in citations which I have here. Therefore I am satisfied that we are following a correct procedure in permitting this bill to be introduced without a resolution.

There was another point raised by the two hon. members which rather concerned me. I think it is answered by this citation from May, eleventh edition, page 572:

. . . a bill for diminishing or repealing a tax or other public burthen, unless the imposition of a new tax is proposed by way of substitution, needs no royal recommendation or preliminary committee stage . . .

I was a little concerned about the argument that perhaps the crown's recommendation was necessary and that otherwise it might be open to any member of the house to move such a bill. However, that is something I do not have to decide today. When a private member does introduce a bill to abolish the income tax or wipe out the proceedings of the

last 24 hours we shall meet that when it arises. In the meantime, with due deference to the opinions that have been stated, I must rule that in my opinion this motion is now properly before the house.

Motion agreed to and bill read the first time.

INCOME TAX ACT

Hon. Donald M. Fleming (Minister of Finance) moved for leave to introduce Bill No. 232, to amend the Income Tax Act.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as you will expect, I hold the same view with respect to the introduction of this bill without a prior resolution, but in view of the ruling you made on the previous bill I will not press the point at this time.

Mr. Speaker: The hon. member has had his objection noted. I have not had the opportunity to read this bill, but I take it from statements made in the house that it does not impose any new tax but is simply a bill to reduce taxation and therefore—

Mr. Fleming: That is the fact.

Mr. Speaker: —comes within the opinion I have already expressed on the other bill.

Motion agreed to and bill read the first time.

CLOSURE OF DEBATE

MOTION TO REPEAL STANDING ORDER 33 TRANSFERRED TO GOVERNMENT ORDERS

On the order:

That standing order 33 of the standing orders of the House of Commons be repealed.—The Prime Minister.

Mr. Speaker: By the standing orders this matter is automatically transferred to government orders and needs no other action of the house at this time. I refer the house to standing order 21, subsection 2, which provides for the automatic transfer of the motion to government orders.

MOTIONS FOR PAPERS

CALGARY CITIZENSHIP COUNCIL

Motion No. 44—**Mr. Pickersgill:**

For a copy of all correspondence exchanged since July 1, 1954, between the minister or any official in Ottawa of the Department of Citizenship and Immigration, on the one hand, and any of the officers of the Calgary citizenship council, on the other, respecting the citizenship reception centre.

Motion agreed to.

COLUMBIA RIVER—PROPOSALS FOR HYDROELECTRIC DEVELOPMENT

Motion No. 45—**Mr. Hahn:**

For a copy of the preliminary report entitled proposals for the hydroelectric development of the Columbia river system in Canada.

Hon. D. S. Harkness (Acting Minister of Northern Affairs and National Resources): Mr. Speaker, I must oppose this motion. Hon. members will perhaps recall that there was a considerable amount of discussion in the house last week with regard to the particular document in question. It was indicated at that time that we did not consider it in the public interest to table this document at the moment, at least, and I should like to state that there are really two grounds on which I would oppose the motion being adopted.

First, it is a departmental document of a type which is not normally tabled. Second, and more important, negotiations with the United States in regard to the Columbia river system and the development of hydroelectric power on that system have been going on and will probably continue for some time. We do not consider it in the public interest that this document should be made public during the time these negotiations are in progress.

Mr. Hahn: The reason for putting the motion before the house is that I am desirous of getting this particular information. The hon. member will recall that on Thursday last the hon. member for Montmagny-L'Islet (Mr. Lesage) had this document in the house. On that occasion, as recorded on page 1890 of *Hansard*, the minister read from the documents proposals for the hydroelectric development of the Columbia river system in Canada. I am not taking particular issue with the fact that the minister says this is a confidential document or an interdepartmental document, but my plea is based on citation 277 of Beauchesne's third edition, page 110, which says:

A minister of the crown is not at liberty to read or quote from a dispatch or other state paper not before the house, unless he be prepared to lay it upon the table.

I am fully aware, sir, that the minister did not have this document in the first instance, and did not bring it into the house. Apparently the hon. member for Montmagny-L'Islet did. However, I say the minister should not have read from the document, but since he did the house should have access to it.

Mr. Harkness: On that particular point, I would remind the house that I did not read from the document. All I did was to read

the title of the document in order to identify it, but I read absolutely nothing from the document.

Mr. Speaker: That is my recollection, that the document was not quoted except to identify it. This is not a debatable motion. The minister has explained his objection to complying with the order, and all that remains now is to dispose of the motion. Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. I declare the motion lost.

CANADIAN CENTENNIAL

MOTION TO ESTABLISH COMMITTEE TO PLAN ECONOMIC AND SOCIAL DEVELOPMENT IN CELEBRATION

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That, in the opinion of this house, the government should give consideration to the advisability of the establishment of a 100th anniversary committee, with provision for federal and provincial representation, for the purpose of planning the economic and social development of this country on a vast scale, including inter alia housing and slum clearance, conservation, irrigation and power projects, improvements in transportation, highway construction, the elimination of grade crossings, the building of hospitals, assistance to municipal projects and other public works, and also for the purpose of planning ways and means to strengthen the economy of every section of this country; and that consideration should be given to the advisability of such a program being launched immediately and being pursued vigorously year by year so that on July 1, 1967, the people of Canada will be in a position to celebrate this nation's 100th birthday not only with fireworks and speeches but by the achievement of a land of health and abundance for all our people.

He said: Mr. Speaker, the resolution which I have the honour to present to the house pretty well speaks for itself.

Mr. Byrne: It certainly does.

Mr. Pickersgill: We will take it as read.

Mr. Knowles (Winnipeg North Centre): I am sure all of us in Canada realize that this nation owes a great debt of gratitude to some of those who have gone before us, and who dreamed dreams of a great country on this northern half of the North American continent. None of us can deny the debt that we owe to Sir John A. Macdonald, that great statesman who dreamed of Canada as a separate country within the British family without whose dream we would not be sitting here today as the members of the parliament of a sovereign nation. I am sure it is also agreed that we owe a great debt to Sir Wilfrid Laurier, who at the turn of the present century uttered those famous words, "The twentieth century belongs to Canada." He, like that other great leader, dreamed of the greatness in store for this nation.

There are others to whom Canada is greatly indebted. I believe those of the two larger parties in this house who have applauded the sentiments I have just expressed will agree with me that this generation of Canadians also owes a debt to my predecessor, the late J. S. Woodsworth, who for many years was the member for Winnipeg North Centre, and I welcome the applause given to his name. He too was a great Canadian, a man who dreamed of Canada as a country not only great in expanse and in terms of economic progress but a country where there might be social security and a high standard of living for all the ordinary people of this nation. Because that great man dreamed dreams and had visions of a better day, many people in Canada now enjoy a better life.

It seems to me, Mr. Speaker, that it is appropriate for us from time to time to lift ourselves out of the matters that concern us for the moment and plan boldly for the future of this Canada. It is for that reason I offer the suggestion that we seize upon the fact that in ten years we will be celebrating the 100th anniversay of confederation as an opportunity to plan still further for the development of this nation and for the achievement of a land in which, as my motion suggests, there will be health and abundance for all our people.

The resolution which Your Honour read out in my name a few minutes ago has been on the order paper for three or four sessions, although this is the first time it has been reached for debate. When I filed it in previous sessions I was conscious of the fact that probably it would not be reached. But I felt that perhaps it was a good idea to let the resolution reach the light of day and be seen for two or three years so that our people might get used to the thought of beginning to plan now for the centenary of the founding of this country.

It is true that there have been debates on other matters during which the ideas contained in this resolution have been put forward, notably in the debate on March 2, 1955, when the present Secretary of State (Mrs. Fairclough) moved an amendment on the motion to go into supply having to do with the unemployment situation which obtained at that time. In the course of that

debate some of us urged that we should make a real attack on this problem of unemployment by instituting a long range development program. That approach was supported by hon. members now on the government side of the house.

I should like to mention, before going any further, that the idea of beginning well in advance to set up a committee and plan for our 100th anniversary was first suggested to me by my good friend of this city, Mr. Walter Mann. As a matter of fact he made the suggestion at a convention of our party in the province of Ontario seven years ago. To some it seemed somewhat far-fetched, at that time, to be proposing that we plan for an anniversary 17 years in advance, but seven of these years have already gone by, and as others, whose names I will quote in a moment, have suggested, there are times when plans ought to be made well in advance.

It is on that basis, bearing in mind the debt we owe to the dreamers of the past, bearing in mind the great potentialities of this country, and bearing in mind also the fact that things do not get done unless they are planned, planned boldly and planned well in advance, that I ask this house to consider seriously the suggestion contained in the resolution that the government take whatever steps are necessary to set up now a 100th anniversary committee, with provision for federal and provincial representation in the membership and work of such a committee.

I was interested in the support given to this idea over a year ago, in a very interesting article which appeared on the editorial page of the Ottawa *Journal* for Thursday, March 8, 1956. The article appeared under the well-known picture of the founders of confederation. It was entitled "Looking towards confederation's birthday" and was written by Mr. I. Norman Smith. I was interested in the fact that Mr. Smith, as he pointed out, wrote this article because he had had a discussion about Canada's 100th birthday with his friend Mr. Jules Leger, the under secretary of state for external affairs.

In this very interesting article Mr. Smith, on his own behalf and on behalf of his friend Mr. Leger, urges that we should begin now to plan for Canada's anniversary. He makes some interesting suggestions, among them that the Queen should come to Canada that year and perhaps be here on Dominion day and grace a special session of parliament; that NATO, or any successor organization, should hold its meetings in Canada that year; that the commonwealth prime ministers should meet here, and so on. Mr. Smith says that the full session of the United Nations could not be held in Canada because of lack of facilities, but a two weeks' plenary session could be held here, leaving the administration in New York.

Further down the page in this article Mr. Smith says:

> Another approach to making ourselves felt internationally might be to invite the British empire games for that year, or even the olympic games.

Then there are other suggestions; a scouts' jamboree, certain festivals, and so on, and then we come to a very interesting paragraph to which attention might be paid:

> By 1967, surely, we should have agreed on a Canadian flag: and to get this agreement not all of the stubborn people live in Quebec province. Is not a country 100 years old expected to have a flag which if seen in Pakistan or Peru says "Canada" without mistake?

The whole article is full of interesting suggestions, and full of the challenging thought that if we are not careful, when July 1, 1967, comes along all we will have will be the fireworks and the speeches. We will have those; there is no doubt about that. But if we are wise and far-sighted, and if we begin planning now, we will be able to have celebrations really worthy of such a great occasion.

I like the last paragraph or two of Mr. Smith's article, in which he says that a celebration such as we would like to have in 1967 must be planned on many levels, federal, provincial, municipal and institutional; and that we, the people, must do the planning. At the end of his article Mr. Smith says:

> Finally, it must be planned now, and by men with a vivid sense of history and future, men unafraid to be called dreamers. Put such men at work now for even three weeks and they would come up with a blueprint of something that could easily prove the best thing that has happened to this country since confederation.

Well, Mr. Speaker, Mr. Smith and Mr. Leger are not alone in their interest in Canada's 100th birthday. I have on my desk a number of newspaper clippings referring to a very interesting speech which the present Leader of the Opposition (Mr. St. Laurent), who was then prime minister, made at Hamilton, Ontario, in March of this year. I was interested in the fact that most of the newspapers in this country covered the speech and gave it a good press, and this seemed to me to indicate that the challenge of the then prime minister to Canadians to think about the beginning of our second century struck a responsive chord in the hearts of our people. I could read any of the dispatches I have, but the one I have picked

up is from the Toronto *Daily Star* of Thursday, March 21, 1957. The heading is, "Courage to take chance advocated by St. Laurent". The story is written by Mr. Bruce Macdonald, a staff correspondent, and it reads in part:

> Borrowing a line from Browning, Prime Minister St. Laurent last month invited those present to the celebration of his 75th birthday to "grow old along with me. The best is yet to be."
>
> In a speech in Hamilton earlier this week, the prime minister reaffirmed his conviction that for Canada the best years are ahead, but he did it in forceful, vigorous and imaginative terms which belie his age.
>
> His speech amounted to a challenge—a challenge to Canadians to seize the future which can be theirs with work, planning and the courage to take a chance.
>
> "But for the balance of Canada's first century as a nation—and throughout the shining story of her second century—this, more than any other in the world, will be the land of opportunity," the prime minister declared.
>
> But the future "won't just drop like a ripe plum into our hands," he warned. "We have to go after it with renewed energy, with new ideas, and with the confidence that what we are blueprinting can in fact be built."
>
> It is perhaps half a century since a Canadian prime minister sounded such a challenge. Then it was his famous predecessor, Sir Wilfrid Laurier, who declared in the House of Commons: "To those who urge upon us the policy of tomorrow and tomorrow and tomorrow, to those who tell us wait, wait, wait; to those who advise us to pause, to consider, to reflect, to calculate and to inquire, our answer is: No, this is not time for deliberation, this is a time for action. The floodtide is upon us that leads on to fortune; if we let it pass, the voyage of our national life, bright as it is today, will be bound in shallows—"

And so the report of the speech of the present Leader of the Opposition goes on, ending up with this paragraph:

> Mr. St. Laurent gave no hint of the kind of projects he had in mind, but disclosed that he intended on another occasion to "suggest for my fellow citizens some way of setting up challenging and adventurous goals" for Canada's centenary.

Well that makes three or four of us now; Mr. I. Norman Smith, Mr. Leger and the present Leader of the Opposition. But I call another witness, the present Prime Minister, who is very proud of what is referred to as his party's national development policy. In this document which the Conservatives put out in the last election campaign, and which I confess we quote sometimes in a different vein, there is this opening paragraph:

> Can anyone doubt that Canada stands at the crossroads in her history? This is a time for greatness in planning for her future. Unity requires it—freedom demands it—vision now will ensure it.

Well, Mr. Speaker, the present Prime Minister is a good witness. His words make it unanimous; we all agree that Canada has a great future. As put by Sir Winston Churchill when he was in Ottawa in 1952:

> Upon the whole surface of the globe there is no more spacious and splendid domain open to the activities and genius of free men.

Those were the words Sir Winston Churchill used to describe the Canada he was visiting at that time. We are agreed; we are unanimous as to the possibilities of the future so far as this country is concerned, but we are also agreed, in the words of the present Prime Minister, that it takes vision now to ensure the greatness of that future. This is the reason, Mr. Speaker, why I join with Mr. Norman Smith, with the Leader of the Opposition and others in urging upon the government that these matters be not left until eight, nine or nine and a half years from now, but that without delay steps be taken to set up a committee to plan the various matters which are suggested in my motion. There were a few smiles when that motion was read, as though it seemed to cover everything. It covers a lot, but there are still other matters. The point is that we should start now to plan for progress on a broad scale.

Let me just mention a few of the items set out in my resolution. I shall do so quickly and in passing. It will be fine to have fireworks and speeches on July 1, 1967; how much finer it will be if we have the Canadian people well housed. We can do it. It would be better, instead of just talking of the South Saskatchewan dam and other conservation and irrigation projects, if we really have them. We can have these projects and more, if we start planning for them now. We can do the same thing in the fields of transportation, highways, railway crossings, municipal projects, the building of hospitals, and so on. The field is tremendous; the opportunity is there to build the kind of Canada so that on July 1, 1967, we will really have something to celebrate.

Let us hope that we are not celebrating our 100th birthday with unemployment around us; let us hope by that time we will have introduced sufficient social and economic planning to get rid of unemployment completely; let us hope we will have got rid of exploitation of man by man within our country, and that we will have achieved the kind of life in which we are all participants in a co-operative and common endeavour. Let us strengthen our economy by 1967, so that every section of this nation will abound in material and social progress; so that social security will be guaranteed to all our people, and so that we will be able to play our part in helping the rest of the world to rise out of conditions of hunger, squalor and misery and thus remove the causes of war and achieve peace for all mankind.

The opportunities are tremendous. The challenge is put to us by Sir John A. Macdonald and Sir Wilfrid Laurier, by my late

leader Mr. J. S. Woodsworth, by Mr. I. Norman Smith, by the present Leader of the Opposition and by the present Prime Minister. The future which is our destiny will not drop into our laps. All who have thought about these matters will agree that we have to dream and plan for that future and that now is the time to take action along these lines.

Mr. Speaker, on July 1, 1967, we will have the fireworks and we will have the speeches; let us hope we will have something more.

Mr. John B. Hamilton (Parliamentary Assistant to the Minister of Citizenship and Immigration): Mr. Speaker, I would not want the house to feel that I am taking the hon. member's resolution lightly, but as I looked over page 4 in our program for today and read all the items he has set down there, I could not help but get a glimpse of him in his library back in Winnipeg, while he contemplated the coming session. I could see him enumerating the items—minimum wages, annual vacations with pay, statutory holidays, industrial relations, the Canada Elections Act, the Income Tax Act.

Mr. Knowles (Winnipeg North Centre): And health insurance.

Mr. Hamilton (York West): Then I caught a glimpse of him as he donned his dark cloak and took off on his broomstick out over the barrens and, in a scene reminiscent of Macbeth, he hatched this resolution from the witches' cauldron. Then of course in the cozy library again, when everything appeared to be covered, I see once again consternation and the hon. member rushing to the long distance telephone to Rosetown-Biggar; the crackling of the wires and a voice coming over: "M.J.—M.J., have you got human rights covered?" Mr. Speaker, there is very little left—

Mr. Byrne: That was the telephone call that offered him the speakership.

Mr. Hamilton (York West): —that is not covered in this resolution, and if there were only the items which the hon. member has talked about today—the Queen visiting Canada, the scouts' jamboree, the British empire games, the paintings and the music—then of course we could all stand up in unison and say "This is a resolution we are all able to support."

Mr. Winch: Why can't you?

Mr. Hamilton (York West): But it seems to me there is a great deal more to this resolution than just the phrases we have heard read out today by the hon. member. As a matter of fact, for the period I have been in this house he has filled the time almost completely by calling witnesses in many other parties.

Mr. Winch: Except you, since you changed your policy.

Mr. Knowles (Winnipeg North Centre): They were pretty good witnesses.

Mr. Hamilton (York West): I think what we should consider is the background in connection with this resolution and the time in history which we are approaching. It is easy enough to say that the twentieth century belongs to Canada; as a matter of fact speakers all over the country indulge in that very generous phrase, but I think the twentieth century will only belong to Canada if we are prepared to put into it the really hard work necessary to achieve this goal.

When we in government consider this I believe it is necessary for us to also consider what role we shall play in preparing for 1967. I cannot help but go back to the performance of governments over the years. I think we can divide the governmental history of this country into two major phases, the first from 1867 down to the end of the first world war, a period of 53 years, 33 of which saw a Conservative administration in office in Ottawa, and the second phase from the end of the first world war to date, a period of approximately 37 years, 31 of which saw a Liberal administration in power in Ottawa.

During the first phase this country went through a tremendous period of development. There were vast developmental demands including railway transportation, the opening up of new territories, encouragement for new methods of production and the finding of new markets. It was clearly a period when dynamic action was required on the part of government. It fell to the government to support, inspire and often to initiate long-term projects of economic development and I would say that during this period the Conservative administrations were not found lacking in the courage and vision necessary to carry out these projects. These administrations can be given credit for uniting this country from one end to the other.

Some may say that during this period social planning was not up to the mark but we have to remember that during those days the demands of the population were not great. Almost every person at that time was a handyman capable of building his own home and a large proportion of the population owned the homes they built. During this period Conservative governments played an active part in the long-term economic development planning of the country.

Canadian Centennial

Throughout the period from the end of the first world war to date we have seen a continuing laissez-faire attitude on the part of Liberal administrations. There has been no leadership, no inspiration, no active role played in the development of our natural resources and the other things that are required to produce in 1967 the celebration which the hon. member seeks in this resolution. From administration to administration the government in this period thought it was carrying out its function when it doled out from time to time on a piecemeal basis some welfare benefits but it lacked the vision and the daring that was evident during the period of Sir John A. Macdonald's administration in this country. I might use these words:

> I don't think that free enterprise requires the government do nothing about economic conditions. Governments can—and I believe governments should —pursue fiscal and commercial policies which will encourage and stimulate enterprise and wise government policies can do a lot to maintain the rig.. kind of economic climate.

If my last two sentences should sound familiar to the hon. Leader of the Opposition (Mr. St. Laurent) I can only say that they are his words spoken at the annual convention of the Canadian Lumbermen's Association in Montreal on February 9, 1953. It is unfortunate that the last administration did not take these words to heart and do something about them. It is increasingly apparent that with vast new worlds being opened before us by science leadership is required in government and I can only say that it is just as well for this country that the results of the election on June 10 turned out as they did.

The tremendous head start which this country had because of its resources of oil, gas and coal and those materials upon which a highly industrialized nation bases its whole economy may no longer be the determining factor in maintaining our relative position among the nations of the world. As the Red Queen said to Alice, "It takes all the running you can do to keep in the same place and if you want to get somewhere else you must run at least twice as fast."

Can we honestly say that the solution to our problems is the establishment of a 100th anniversary committee which has been proposed by the hon. member? It seems to me that if we are prepared to agree to this type of resolution then in fact we are abdicating our position as the government of this country. The references it contains to housing, slum clearance, conservation, irrigation and highway construction are matters which the government of Canada must take upon itself to deal with in the proper manner either through legislative process or in conjunction with other levels of government.

I must confess that when I see the word "planning" contained in a resolution sponsored by a C.C.F. member I can only assume that socialist planning is intended and until such time as I have a clearer picture of the aims of that party I find it impossible to accept its type of economic and social planning for Canada.

As I have said before, I feel that the government faces a very crucial and complex task in the next ten years of Canada's history. It is going to require a high degree of responsibility, constant co-operation with all levels of government and co-operation on the part of the government with the people of the country in order to ensure that when 1967 is reached we can truly celebrate our 100th anniversary.

I am sure that the Prime Minister (Mr. Diefenbaker) of this country is fully aware of those responsibilities. As I said in the debate in reply to the speech from the throne he intends to maintain a constant liaison with the people. He will see that the urgent social requirements of the people are realized. There is every indication that all of the items listed in the resolution will be dealt with in their turn as we meet them in the house. I notice that one of the first things mentioned is housing. I do not think we need to worry too much about what can be done by this administration in connection with housing. Only last week we heard the Minister of Public Works (Mr. Green) outline the program of the government to ensure that a greater number of people in the lower income group will have housing priced within their reach.

As a matter of fact, sir, there is evidence already of what has been accomplished. I hold in my hand the *Globe and Mail* of just this morning, indicating that house-building shows a 63 per cent gain in November. The article reads in part:

> House-building, after lagging severely in Canada last winter, has picked up smartly and in November was a thumping 63 per cent greater than in the same month of 1956.
>
> This increase was the second straight monthly gain, figures of MacLean Building Reports show. The result was that for October and November combined, house-building awards were up 44 per cent over the same 1956 period.
>
> Big reason for the improvement, notes the statistical agency, was the additional $150 million of mortgage money made available for lower-cost housing under the National Housing Act.

It seems to me, sir, we have adequate proof that we have no need to abdicate our position in connection with housing to a special committee. We can go on with other items. The resolution refers to public works programs. Why, sir, I have a list here of 31 projects which are under way in Canada right

now, ranging in value anywhere from $1 million to $13 million or $14 million. The resolution refers to highway construction. Well, in highway construction, under the responsibility of this administration, the trans-Canada highway, we will spend $24,805,000 this year. It also refers to hospitals. My hon. friend in the Department of National Health and Welfare tells me that $53,452,200 will be spent in connection with hospital construction and other items dealing with hospitals. There is hardly an item mentioned here which does not come within the responsibility of this house. Why should we have a committee, sir? I notice that it covers other items such as conservation.

Mr. Haidasz: Conservation group in Toronto.

Mr. Hamilton (York West): For the information of the hon. member for Trinity, I may say that I have the report of the group in Toronto charged with conservation, the metropolitan Toronto region conservation authority, setting out the aims and objects of the group, indicating the plans and the hopes of this group and also indicating that in the actual physical planning required to be done on that level of government the people are well aware that it is within their ability to assess and provide the plans for such a program. As a matter of fact, sir, I cannot help but recall that during the time I have been here brief after brief was presented on behalf of those people without success. I say only this to you, sir, the attitude that has been shown by this administration in connection with its dealing with the provinces indicates that such items as this as well can be taken care of in the future. But, of course, this was the right time was it not, for this resolution? This was the time when, with a government in office only five months, the hon. member could line up a whole list of projects.

Mr. Knowles (Winnipeg North Centre): Will the hon. member permit a question? Is he aware of the fact that a resolution in exactly these same words has been on the order paper in three previous sessions?

Mr. Hamilton (York West): I am quite aware of that fact, sir, but it does not change my observation one bit. This was the time to have such a resolution, to confront a government that has been in office for five months and say: Oh, look at all these things that have to be done. When the hon. member stood up and spoke to his resolution there was never a word that these are items that might have been dealt with during the tenure of the last administration. There was no reference of that kind at all. Look at the situation now. A period of only five months has gone by, and already he is saying: Let us get on with the job.

It is the intention of this administration, Mr. Speaker, to take care of these matters to the point that when 1967 comes around all that will be necessary will be the fireworks. That is all we will need when the other things are done. The 20th century, the future belongs to Canada; yes, it does. This is the country of the young in heart, it does not matter how old you are. This is the country of the adventurous spirit. It is the country of all those who are prepared to work, firm in the knowledge that what we are creating is for Canadians, security for those who are here and boundless opportunities for succeeding generations. That is the vision and challenge and this government will meet it right down the line.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I am happy to take part in this debate on the resolution which is on the order paper in the name of the hon. member for Winnipeg North Centre (Mr. Knowles) and to deal with it not in the manner which perhaps he would expect me to but in another manner which I shall mention in a moment. However, before going on to that let me say to the hon. member for York West (Mr. Hamilton) that I am a bit surprised at the attitude he has taken with reference to this resolution. I say that because when one reads it carefully he finds that after all the only thing which the hon. member asks is that consideration be given to the establishment of a centennial committee for the purpose of dealing with the economic development of this country. I remember the Prime Minister (Mr. Diefenbaker) replying to a question which was asked him in the house concerning a matter of like nature and saying: "Yes, we are willing to consider anything". All that the resolution asks is the consideration of the establishment of a committee to deal with the things mentioned therein. That is why I have no difficulty in finding myself in support of this resolution.

The only doubt I may have had relating to it was in respect of that part which deals with the building of hospitals, to assist municipal projects and other public works, because I believe those are all of a provincial nature for the most part. But nonetheless, the hon. member has seen fit to suggest that on the committee there should be both provincial and federal representation. Be that as it may, that does not prevent me from believing that the motion is a good one, because I think that it will meet some of the needs that the house is unable to attend to during the time extending from now until the 100th anniversary of the birth of our country.

Canadian Centennial

I regret that the hon. member for York West has seen fit to interject a political note in his discussion of this resolution. I would have thought that following the lead of the hon. member for Winnipeg North Centre who because of the national character of the committee felt that he should cite prominent persons, who are neither of one political faith nor the other, in support of his resolution, the hon. member for York West would find himself in agreement with this resolution.

In any event, I want to take advantage of this opportunity to deal with another matter that has been engaging the attention of the country for some time, a project of national and international importance, a project which has contributed greatly to the social and economic development of our country. I refer, of course, to the great lakes-St. Lawrence seaway. I think the resolution now before the house is an opportune time to deal with it, first, because it took almost a century before it was possible to obtain approval of this great project and, next, because I am sure, and I hope the Minister of Transport (Mr. Hees) will agree with me, that it may be some time before it will be possible for me to discuss a matter of this nature on his estimates. They are not yet before the house and it may be some little time before they are. Let me say at once that I am pleased the minister saw fit to be in his seat while I participated in this discussion.

It seems to me, sir, that arising out of this resolution are some suggestions that I could profitably make. I should like to make to the Minister of Transport and to the government eight suggestions which are offered in no critical sense but in a constructive sense, eight suggestions which I believe will enhance the value of the project now under construction and which too will be of benefit to the country at large. But perhaps, sir, I may be allowed first of all to say something of a general nature about the project itself.

The St. Lawrence seaway is first and foremost a great engineering project. It is a great engineering project because dams are being built across rapids, power structures are being built many feet below the bed of the river, channels are being excavated through islands in the St. Lawrence and the whole regimen of the river in an area comprising 50 miles in length by three or four miles in width is being changed. It is also a great social achievement because in the area that I mentioned we have communities that are being inundated, two towns and six villages, churches, cemeteries, schools, whole communities that are being wiped out. I believe 23,000 acres are being flooded and about 6,500 people have to be moved. But it is significant that on a new shoreline on both sides of the international boundary line are arising new towns, new communities, modern and up to date in every sense and, what is equal to that, parks and parkways are being built on both sides of the international boundary line.

But the seaway is still more than that, sir. It is an international project. It is one thing for governments to get together and decide upon a course of conduct but it is another thing to put that governmental decision into execution. In order to do that, there are no less than four and perhaps more international bodies composed of an equal number of Canadians and Americans that are working in co-operation and collaboration with each other to put the decision of government into effect. There is the St. Lawrence river joint board of engineers which has jurisdiction over the construction phase of the power development. Their duties involve the approval prior to construction and supervision during construction of all works proposed to be constructed by the Hydro Electric Power Commission of Ontario and the power authority of the state of New York.

There is the international St. Lawrence river board of control whose objectives have been defined in the order of approval of the international joint commission and whose duties relate to water levels, the flow of water in the international rapids section and the regulation of the discharge of water from lake Ontario.

There is also the international lake Ontario board of engineers, appointed by the international joint commission, to study the level of the water. They have recommended a rather technical and complicated plan but one which I believe is being put into effect successfully.

Lastly, there is the international joint commission, a body that has been dealing with boundary water problems of this character for over 40 years, and it was, therefore, only logical that Canada and the United States should finally decide as they did that this was the proper medium through which to launch the power and seaway projects.

I mention these four boards which are putting into effect the decision of the Canadian and United States governments because it gives one an example of the co-operation and good will which can exist between two nations when they want a project of this nature approved. May I say just one word about the benefits which I believe will enure to the Canadian economy before I come to the suggestions. The first benefit is power; 2,200,000

horsepower of electrical energy in the international section is about to be developed. That represents close to 13 billion kilowatt hours of electricity per year.

When it is realized that this is the last area that the Ontario Hydro Electric Power Commission has for development in southern Ontario, one realizes what it means to the economy of the province of Ontario. Ontario has been forced on several occasions, and even recently, to the development of steam plants from coal, and we all know how costly those are. But here in the international section of the river is this large block of power, three times cheaper than the coal to generate, which unquestionably will have the effect, not only on our side of the line but also on the United States side, of developing and bringing industry to those areas.

Then there is the removal of the 112 mile 14-foot bottleneck that exists between Montreal and the foot of lake Ontario. The removal of this bottleneck will have the advantage of allowing 25-foot craft to move up the St. Lawrence to the ports of the great lakes, and for the first time it will permit lake vessels to go down the lakes to the port of Montreal and other St. Lawrence river ports. In earlier reports made by economists it has been estimated that the savings in transportation would amount to $48 million per year because of this benefit.

Then, of course, there is iron ore. I believe it is iron ore more than anything else that tilted the balance in favour of the development of this project. We always knew that it was a tremendous advantage to develop power but there was some hesitation on both sides of the line in an earlier stage in so far as the navigational aspects were concerned until such time as deposits of iron ore were discovered in Labrador and the Ungava region of northern Quebec.

It is hoped by many economists that, in the same way as the Mesabi ore came to the coal of Pennsylvania and brought about the existence of the great steel industry in the United States so also will the iron ore of Labrador and Quebec coming as it will up the St. Lawrence find a meeting point with power either in Ontario or Quebec—I believe more so in Quebec because of the greater power advantages that exist there—and thus establish a steel industry in that province.

Then, the fourth effect is that arising out of export and import trade. It has been said that until after the second world war there was little export or import trade on the St. Lawrence. After the war, because of the pioneering of Norwegian and Scandinavian interests, this trade, which is also known as great lakes overseas trade, began to take existence. In 1955 that trade amounted to about $760,000 per year but by 1956 it had gone over the million and it is believed by Canadian and United States economists that a few years after the seaway is opened this trade will be multiplied by three and within a short time by 25. It is this trade, therefore, which I believe has the greatest significance from the point of view of the ports along the seaway route, both on the great lakes and the St. Lawrence river.

Then, of course, there is the regard northward that it is hoped will be turned by industry and the general public of the mid-west states and of the eight states bordering on the seaway. There are eight states along the St. Lawrence route, the population of which represents about 35 per cent of that of the United States. These states have been turning their backs on the St. Lawrence. I do not say that in any derogatory sense, but geographically that has been the case. They have been looking toward the Erie canal and the Hudson river to move their traffic to New York city, and they have been looking to the Mississippi and the Illinois to take part of the trade down towards the ports of the gulf of Mexico. As I will indicate in a moment, it is hoped with every degree of assurance that that trade will now move by the St. Lawrence.

Finally, there is the industralization that is taking place along the seaway route, from the eastern extremity right up to the head of the lakes today. A measure of the success of the seaway is already apparent in the volume of investment that private industry has decided to make in order to take full advantage of one of the most revolutionary developments of our economy today. It has been said that more money is being spent by private industry in taking advantage of the present and future position of the seaway than in the building of both the power and navigation aspects of the project. I felt, sir, that before I made these suggestions that I am now about to make, I should preface my remarks by a statement of the effects of the seaway on the economy of Canada.

The first suggestion I should like to make is that an economic survey be made of the effect of the seaway upon the various regions of Canada; upon the ports and harbours along the seaway route, with particular reference to large concentrations of population such as the metropolitan area of Montreal and the area of Toronto and Hamilton. I make that suggestion because I believe the benefits of the seaway, as I have outlined them, will reflect upon all of

the regions of Canada. Nonetheless, I think that survey should be made to ascertain what are the advantages to the central provinces; what are the advantages to the Atlantic provinces; what to the prairies, what to British Columbia, and, last but not least, what to that great area which lies to the north, the precambrian shield, because already tremendous mineral and metal development is beginning to take advantage of the seaway route.

I believe the survey should study and include something of the effect upon the ports extending from Rimouski, Seven Islands, Quebec, Three Rivers, Sorel—I jump over Montreal for the time being—Cornwall, Brockville, Kingston and Windsor—I pass over Toronto and Hamilton for the time being—to Sarnia and the lakehead. It seems to me that while the measure which the minister introduced concerning the port of Hamilton was a good one, and I felt I should support it because of the knowledge I had of conditions there, he will be getting requests from ports all across Canada for similar assistance. He already has a request of this nature from the lakehead. He, I believe with the Minister of Mines and Technical Surveys (Mr. Comtois) and others, went to Three Rivers and received representations there. Until a survey has been made of all these ports as to what kind of traffic will be most likely to go to one port of the seaway rather than the other, it seems to me that without an over-all policy of planning as that recommended here, disorder will follow.

Finally, it strikes me that the survey should have particular reference to the Metropolitan area of Montreal within a radius around that city of 100 miles, and similarly around metropolitan Toronto as far as Hamilton. I deal now particularly with Montreal because I represent a constituency in that city. I believe that the area of the city of Montreal within a radius of 100 miles will be tremendously affected by this development. The reason I suggest an economic study is that we have no such survey at the moment, other than the one which was prepared by the economic research division of the Department of Trade and Commerce in 1951 which was good at that time. It is seven years old, and much of it is based upon information which is out of date. I used it in the introduction of the legislation in the House of Commons in 1951, and I think conditions have changed so much that a great deal of this information is obsolete.

Then, may I draw to the attention of the house that the St. Lawrence seaway development corporation, the U.S. entity building the seaway had a United States economist, Dr. Hazard, prepare a survey in 1955 or 1956, I am not too sure—having to do with the effect of the seaway upon the economy of the United States. Then, I hold in my hand something which I believe is novel, but it is one of the finest studies I have ever read of the effects of the St. Lawrence seaway on grain movements. It was prepared by Joseph R. Hartley in conjunction with the Indiana University school of business and in co-operation with the Chigaco board of trade. It is one of the finest surveys on the movement of grain in the St. Lawrence, and I commend it to the minister's attention. I wish I had time to take six or seven excerpts from it which I have marked out, but I will take only one because I think the house will perhaps not have realized just what, in the eyes of this United States group, the seaway means to them. Dealing with grain, one of the recommendations says:

> The large volume of Canadian grain which already moves on the St. Lawrence canals will be extended somewhat by diversion from other routes. The relative changes will be much less than for United States grain. Total Canadian seaway exports will range 200 million bushels. The combined Canadian-American volume will be in the neighbourhood of 350 to 400 million bushels by the mid-1960's.

That is something we did not take into consideration when we were considering the project back in 1951. This survey says there will be no less than 200 million bushels of American grain going down the seaway. I quote from page two.

> By 1966, the seaway will be carrying from 150 million bushels to 200 million bushels of United States grain exports, assuming present levels of international grain trading will be sustained.

That is why I say all these ports along the route are bound to be affected if this statement is accurate, and there is no reason why it should not be so. I may, perhaps, be asked this question: why did not you have a survey done when you were in government? Well, we started, and we asked a prominent transportation economist of considerable renown in this country to prepare an economic survey of the effects of the seaway on the various parts of Canada. He proceeded with this work, but unfortunately he was interrupted in his task because his services were required with the royal commission on economic prospects, and when that was over and he was prepared to continue his research we appointed him to the tolls committee to discuss the question of tolls with a similar committee in the United States. My understanding is that a large portion of this work has already been done, and that it would not take too much time to complete it. It would be of tremendous use, to the minister and to his department and to the country at large.

The second suggestion I should like to make is that the 1947 board of engineers' report on the Lachine section be reviewed in the light of present events. This was a report tabled in the house in 1948. It dealt with the development of the Lachine section. It was hoped at that time it would be possible to develop Lachine jointly for power and navigation purposes. When I was with the seaway authority I made several trips to the office of the premier of Quebec. I was, of course, always cordially received, but I was not successful in convincing the premier of Quebec that power should be developed jointly with navigation in the Lachine section. The engineers whom we consulted felt at the time that it would mean a saving of some $25 million if this were done.

The suggestion I would make now is that while this report was prepared in part in co-operation with the Quebec Hydro Electric Power Commission it should be reviewed, and it seems to me that the minister or the government, should see whether something could not be salvaged from this report and whether it is not too late to develop power along with navigation on that section. Because if this were done I am sure there would be substantial savings not only to the province of Quebec but also to the federal government.

The third suggestion I have to make is that the St. Lawrence ship channel and Montreal harbour committee report of 1950 should be brought up to date. This, may I suggest to the house and to the minister particularly, is an extremely important report. The committee was set up in 1950 with four terms of reference. One dealt with the Saguenay river; another dealt with the general development of the ship channel at the time; still another with the improvement of the ship channel over a three or four year period; and a fourth term of reference had to do with the progressive development of the Montreal harbour after the completion of the seaway and power development in the Lachine section. The committee had, as its main purpose, to co-ordinate the work and responsibilities of the main groups in the area; the national harbours board, the Department of Transport, the Lachine canal and the St. Lawrence ship channel which is a division of the Department of Transport.

That committee submitted a general plan for a project to accomplish this co-ordination. It was fearful that low water levels in the port of Montreal might affect navigation in that port, and made certain recommendations. The recommendation which it made is contained under "main features" of the conclusions dealing with Montreal harbour, and perhaps I may quote the main features of that plan.

> The main features of the project are a dam with locks in the vicinity of Pointe aux Thembles and the maintenance of the low water level in the reach above the dam to an elevation approximately six feet above the extreme low water of 1934. The project will also entail the enlargement of the cross-sectional area of the river above the dam in order to reduce the cost of future harbour development on the south shore and to provide adequate depth for access both to this future development and to industrial areas that may be developed in that vicinity.

This report is dated 1950. It was prepared and made before the seaway construction had begun, and it was also made after the report of the board of engineers. I should like to draw the attention of the house to some of its features. The report is based upon the assumption that the power development in the Lachine section will be undertaken in one stage. It is also based on the assumption that the navigation channel would go into the La Prairie basin pool on the south side of the river at St. Catherine's bay, the area opposite Montreal, but would pass through the Victoria bridge at the north side of the river, with one lock immediately above the bridges and another slightly below the Victoria bridge. And, also, it was based on the assumption that the present Victoria bridge was to be abandoned for railway purposes and a new railway crossing constructed immediately above the present bridge and located partly on the dam and partly on the bridge structure.

To my mind this is perhaps the most important document dealing with the future development of the port of Montreal which has so far been published, and that is why I suggest that this report, which is still extremely important but which is somewhat out of date because of the fact that the ship channel is now on the south side of the river, should be brought up to date in the light of what has happened.

The fourth recommendation or suggestion is that the national harbours board should take immediate jurisdiction over the south shore area from the Indian lands at Caughnawaga to the present limits of the port of Montreal on both shores. As the minister knows, a great deal of land has been reclaimed by the seaway authority from above Jacques Cartier bridge to well below Longueuil. These areas are capable of industrial development and some industries are considering locating there at the present time.

Then there is the whole south shore from above Victoria bridge to the Indian lands of

Caughnawaga, better known as the La Prairie basin, which are quite capable of development as a south shore harbour and industrial frontage, all directly accessible to rail as well as deep water transportation. Indeed, this area is today developing at a fast rate. I wish I had time to go into the amount of expenditure already made by industries which have been establishing themselves in this area. To mention but a few, there is a titanium industry, a number of trans-shipment docks, an ammonia industry and a new town called Candiac which has received a charter from the province of Quebec and which proposes to develop 2,500 acres of land with a population of 50,000 people. I spoke earlier of the steel industry where I understand land has been optioned by certain steel interests for the possible development of a metallurgical industry in that area.

Mr. McIvor: Would the hon. member allow a question? I understand that this seaway would never have been built and it very nearly did go wrong, but the Right Hon. C. D. Howe, meeting with United States officials said: "We appreciate your co-operation, but whether you co-operate or not, we are going ahead". When the hon. member is speaking of great men in Canada he should give honour to whom honour is due.

An hon. Member: What about Premier Frost?

Mr. Chevrier: I did not have notice of this question,—

Mr. Knowles (Winnipeg North Centre): Put it on the order paper.

Mr. Chevrier: —but I think perhaps I could read from this survey which would deal with the hon. member's question. The survey was made by Joseph R. Hartley and is entitled "The Effects of the St. Lawrence Seaway on Grain Movements". He states in one of the recommendations as follows:

> Finally in 1951 Canada announced that she would build the seaway with or without our co-operation. This ultimatum had more effect upon congress than all the economic and political arguments that had ever been marshalled and congress speedily voted to go ahead.

This strong attitude was taken by the present Leader of the Opposition (Mr. St. Laurent) and the former minister of trade and commerce, both of whom played a most important part in advancing this project before our neighbours to the south.

Now if I may go on with my suggestion? What I want to see is an orderly completion of the seaway. It is possible to visualize an industrial zone identified with direct and common paths of power and transportation which will extend from the head of the international section at Prescott on the west, through the remade seaway valley of the river, eastward through Cornwall, Valleyfield, Beauharnois to Montreal, Longueuil, Boucherville, Varennes, Vercheres, and Sorel to Nicolet at the foot of lake Saint Pierre. This will be Eastern Canada's industrial "Gold Coast" and may be expected ultimately to be a prime centre of rail traffic in the St. Lawrence valley. That is why, since most of this zone will be in the La Prairie section, it becomes of utmost importance to see that the area is properly controlled and planned for future development. Furthermore, unless some body takes it over there is bound to be chaos. A committee has already been established comprised of various groups of people to deal with this very proposal and I hope one of the recommendations which it will make is that the national harbours board should take over that area. I hope the board will take it over, because industry which is now coming into that area will at least be able to know what it may expect in the future.

The fifth suggestion I have to make is that the seaway authority should be given title to the Beauharnois and Welland canals. After all, as my hon. friend the Minister of Transport knows, if tolls are to be collected there must be title in the authority collecting them. As it is now, I believe title to both the Beauharnois canal and the Welland canal is today vested in the Department of Transport. While under the act the authority would, I think, have in equity the right nonetheless to collect tolls, in my opinion it would be in the interests of good administration that the seaway authority be given title to these canals so that when the question of tolls arises they will not have someone raise the point, legal or technical, that they are not authorized to collect tolls on those two canals.

As the house knows, the seaway authority has title in the rest of the seaway because it received it through expropriations both in the La Prairie section and at Iroquois where that lock was opened recently.

The sixth suggestion I make is that a new bridge should be erected by the federal government between Montreal and the south shore, downstream from the Jacques Cartier bridge. The house will remember that when these matters were being discussed by the last parliament it was felt that the transportation facilities across the island of Montreal—at least from the island of Montreal to the south shore—were not sufficient at that time to meet traffic conditions. Giving heed to these suggestions, the federal government decided to

build a bridge from Verdun across Nuns' island to the south shore. From the information I have been able to obtain the bridges as they now are and after they have been repaired, will have a traffic capacity of 7,500 motor cars per hour in each direction. This means 15,000 cars per hour and I am told what is required today is several times that amount. For that reason I believe another bridge, which was in fact recommended in the report of 1950 with which I dealt earlier, should be built downstream from the present Jacques Cartier bridge.

The seventh suggestion is that representations should be made to the province of Quebec to construct another bridge alongside the Mercier bridge. The Mercier bridge which links the island of Montreal with the south shore of Caughnawaga is the property of the province of Quebec and the seaway authority has already spent many millions of dollars in building new approaches to that bridge. As a matter of fact it was indicated to the seaway authority at the time they negotiated contracts with the provincial authorities and afterwards for the approaches that it was the intention of the Quebec government to build another bridge at some future time and that therefore we should make, not two approaches but several in case a decision of that nature should be made by the province. This we have done. Well, giving effect to these intentions and thinking of the announcement made by the provincial government that a new, fast, modern and up to date highway would be built from Montreal to the Laurentians, we did provide the funds for these new and up-to-date approaches to the Mercier bridge and the approaches, when completed, will be ready for another bridge should the province decide to take such a step. Representations should be made accordingly by the present government.

That is why I think the minister and others representing the government should approach the provincial authorities with a view to getting an additional bridge built alongside the Mercier bridge so that it will form a trunk in the highway going to the Laurentians. While I am on this question of bridges may I add that the national harbours board will, I am sure, want to give consideration to the addition of another lane to the Jacques Cartier bridge. There is room there for one such lane, and its construction should not be much longer delayed.

Mr. Speaker: I am sorry to interrupt the hon. member but I must inform him his time has expired.

Mr. Chevrier: I have one more suggestion if I could add it—

Some hon. Members: Proceed.

Mr. Chevrier: The final suggestion is that immediate consideration should be given to the construction of additional tunnels or overhead bridges on the Lachine canal. I have just one word and I will resume my seat sir. The Lachine canal, very much like the Welland canal, is in a bad way from the point of view of traffic. One has only to go there during the peak hours such as noon or five o'clock to realize what a bottleneck there is over the Lachine canal which is clustered with industry on both sides.

The former government built two tunnels, one at St. Remi and the other at Atwater, in co-operation with the city of Montreal which made pretty substantial contributions to them. It seems to me that tunnels or overhead bridges over the Lachine canal to remove the traffic bottlenecks should be given serious consideration. These are the suggestions which I wanted to make. They are made, as the house can see, in an attempt to be helpful. They are made in a constructive way and I hope the minister and his officials will find it possible to give effect to them.

Mr. Charles Yuill (Jasper-Edson): Mr. Speaker, I listened with a great deal of interest to the discussion thus far and I would like to place myself in the position of being in support of this resolution. I think the resolution is an excellent one because it deals with many phases of our social and economic development. Most of the problems that are embraced in the resolution are national in scope but although some appear to be national problems they seem to take on a local complexion because of their nature and there are some that could best be served by the joint action of the federal and provincial governments.

I have in my hand a copy of an article taken from *Maclean's* magazine of December 7, 1957, at page 1 entitled, "1967 Birthday Party—A Preview of Our Plans". The article reads:

> It is only ten years until we celebrate our 100th birthday. What kind of party will we have? Here are some guesses by F. A. Hamilton, Minister of Northern Affairs and National Resources who is planning at long range Confederation Year—1967.
>
> It will last a whole year, not just the weekend we now devote to Dominion Day. "The emphasis on Dominion Day in the past has been too much on baseball and not enough on national background," says Hamilton. "We want mass participation in the centennial. We want a rededication of the Canadian people—a resurgence of the national conscience."

The minister is quoted as having indicated:

> With the trans-Canada highway completed, Canada will open a new one—or series of highways—to the Arctic—
>
> Municipalities and provinces will be urged to plan and complete major works so that they come to fruition and can be dedicated in confederation year.

This is the sentence that particularly appeals to me because it is pertinent to what I expect to say. It reads:

> A re-examination of Canadian history at every level—down to the smallest backwoods community—will be encouraged with the idea of bringing every Canadian closer to his origin.

The minister's statement gives me some ground for hope that what I have to say will not fall on deaf ears in spite of the attitude displayed by the hon. member for York West (Mr. Hamilton). I think the minister's statement is indicative of the fact that he senses that we have problems and in his capacity he is willing to come to grips with them and I wish to congratulate him on that score.

With regard to the subject of highways mentioned in the resolution I would like to command to the government's consideration a very necessary addition to our trans-Canada highway system, namely the Yellowhead route. This is the shortest possible route between Vancouver and Winnipeg and I think it could be described as the missing link in the program of the trans-Canada highway. Certainly it serves the best interests of thousands of people in northern British Columbia and Alberta and Saskatchewan as well. At the present time the route has been practically all built, particularly in Alberta from Jasper, to the east gate of Jasper park and from there to the Saskatchewan border, where there is a standard highway second to none. With very few exceptions you will find the same condition in Saskatchewan. In Manitoba you will also find a condition that lends itself very generously to this route. The only part that is left for the attention of the federal government is a stretch approximately 17 miles in length that lies within Jasper national park between the town of Jasper and the west gate known as Yellowhead.

To a very large degree the government of the province of British Columbia has carried out its commitments in the building of the highway from that point to Kamloops. When this road is built it is estimated that there will be an additional 400,000 cars passing through Jasper national park. If that is so it is indicative of the services that will normally be rendered to the people in the northern part of British Columbia and Alberta particularly. I think if one examines it a little more closely one would have to agree that there will be a considerable source of revenue accruing from that additional tourist trade. If one considers only, the $2 licence fee that is paid for entering the park one would find it would go a long way towards meeting the cost of building the short link within the park.

The increased volume of tourists passing through the park points up something that appears to me to have been neglected within the Jasper national park and the town of Jasper in particular. I refer to the public relations that should exist between the authorities and the people of the town of Jasper. This should bring home forcibly to the park administration the need for the fullest understanding and co-operation between the people of Jasper and those charged with the responsibilities of administering to their needs. There are many problems in public relations existing in the town of Jasper at the present time and these will be accentuated as the volume of tourist trade grows. Some towns within the national parks are considered children of necessity not convenience and I think this is true of Jasper.

I know a little bit about Jasper national park because I lived there at the end of the first war. At that time it had little or no appeal as a tourist attraction. The only way you could get there was by railroad and the only tourists to whom it would likely appeal would be those who were prepared to go in by train and then hire guides with saddle or pack horses who would go into the wilds and enjoy nature in the rough. When our provincial government saw fit to build a road at a cost of several million dollars it changed the picture. There is no problem now as far as traffic is concerned and one of the finest highways in Canada runs right to the park gate. For that reason, of course, tourist trade has grown by leaps and bounds.

If we are to celebrate the centennial in the right way, some of the things which are so necessary and so important to the people who are charged with the responsibility of making the tourist's visit a pleasant one should be given some consideration by the government. There should be a desire to understand their problems a little better and, if and when possible, to apply the milk of human kindness to the administration.

In the town of Jasper they have many problems that must have some consideration. As the tourist trade grew naturally it posed additional problems for the people of the town of Jasper. It is true that the parks authorities had their own responsibilities with respect to providing better roads, better

accommodation for the tourists, and so on, but without the co-operation of the people of the town of Jasper the tourist trade would of necessity lose its appeal overnight. If it were not for the people and for the all-out effort they put in as good-will ambassadors the park would not be the success it is today.

When the people moved into Jasper they were, as the minister suggested, there more or less on sufferance. Perhaps there is an element of truth in that, but without these people, as I have said before, the tourist appeal certainly would not be there. Because of the peculiar regulations that obtain in the parks, when people move into the town of Jasper they are forfeiting in reality their Canadian freedom because they have no voice at all in the management of the local affairs. They have no voice in the amount of taxes levied or in the disposition of the tax money. There are gross inequalities in land rental; there are obvious penalties to those assessed on a percentage of gross income as compared with those who are not. There are obviously injustices all the way down the line.

I know of a case where a man built a fully modern home but because he was just outside the town limits of the town of Jasper he was denied the right to live in his own home for five months of the year. That is something that could be easily adjusted. Those in Jasper who have their own homes and businesses have no security of land tenancy. They are dependent upon the whims of the department in respect of rental of ground leases. It depends upon whether they have a lease or are there on licence. The maximum time is 60 days in the case of a licence and a maximum of 42 years in the case of land rental lease. It puts these people in a pretty precarious position when, regardless of their contribution to the community, they are subject at all times to the peculiar whims of those concerned. If you dare bring the wrath of the executive down on your head you are a marked man and as a consequence you must move out.

The existing difficulties under which the citizens in the national parks now live could be corrected and eliminated by a little closer liaison between the policy-making officials and the residents of the national parks. One way to do that would be to appoint a western supervisor, a man who lives in that country and knows what conditions are. Rather than sending the problems 2,500 miles away to be dealt with by people who never even saw Jasper park and know nothing about the conditions prevailing at the local level, it would be fitting and very desirable to appoint a western supervisor who would have authority to correct the injustices and inadequacies that prevail.

The citizens of Jasper have submitted a request to the minister in the form of a resolution that they be given the right to set up within their park or within their town a municipal system that would give them some measure of autonomy. It would give them the right to have some voice in the spending of the tax money that is taken from them. I know the minister does not see it as I do, but I believe there is still room for reconciliation when you get down to brass tacks.

I have a copy of the reply that was sent in answer to the request, and it deals with the points that I have brought up. I do not want to delve into this too much at this time but there is a certain amount of misunderstanding prevailing and I think this is the feeling of the people of Jasper park. I would gather from the minister's letter that he is of the opinion that they will take over the management of the park, but I do not see it that way at all. All they want at any time is to have a voice in the management of their own affairs. I think it is a reasonable request. Whether or not it would be necessary to go to the extreme of setting up an independent municipality within Jasper national park I cannot say. I do not think it is necessary. I think that by a proper understanding, by a more kindly and humane attitude on the part of the authorities, many of the problems that are very serious so far as the people are concerned could be adjusted and rectified to the point where we would have a much higher standard of public relations.

I am hoping that the minister will make it a point to go out to Jasper, as he has promised to do. He will meet some of the finest people in the world, people who are not grabbing for everything for themselves. All they want today is to get a square deal and have the right to live as Canadian citizens, not as third-grade citizens. So far as their own destiny is concerned, they are actually worse off than the Indians on the reserves. No consideration is shown them so far as their freedom of movement is concerned.

Mr. Winch: What has this to do with resolution No. 3?

Mr. Yuill: I think it has a lot to do with it. I think this glorious centennial presents an opportunity to deal with some of the problems which are prevalent and which should be taken care of in a humanitarian way. I think it is relevant, but I am going to leave the matter at that point. I know that when the minister visits the area and has

some of these problems brought to his attention on the local level he will be willing and ready to take a new look.

Mr. Alexander Best (Halton): Mr. Speaker, in rising to take part in the debate on the resolution now before us, and to speak for the first time in the house I should like to congratulate you, rather tardily I admit, on the high office and time-honoured traditions to which you have succeeded. Through you, Mr. Deputy Speaker, I should like to congratulate the Speaker as well on the fine exercise of his powers, his great discretion and his very considerable humour and wide and human tolerance in the past eight weeks. Through you, sir, I would extend to the mover and seconder of the address in reply to the speech from the throne, the gratitude of all members of the house for the vigour and dispatch with which they carried out their duties.

I could not talk further without referring to my predecessor in this house, Marion Sybil Bennett, member for Halton from August 10, 1953 until her death on November 12 just a year ago. Many of you knew her, valued her keen ability, her warm personality and glimpsed the unsurpassable bravery with which she faced her long and terrible illness. If I can bring to you only a fraction of her insight and her dedication to the affairs of this house, I will indeed be grateful and content.

I would suggest, sir, that the resolution before us today is somewhat deceptive in its implications. I have read it, and examined it a number of times. I have listened with considerable interest to the remarks of the various members who have spoken on it this afternoon. We have just heard the hon. member for Jasper-Edson (Mr. Yuill) and before him the hon. member for Laurier (Mr. Chevrier) who discussed various St. Lawrence seaway problems of considerable interest and made a number of suggestions, largely based on fact, which I would say contained much of interest. I would add, however, and I think hon. members on the government side of the house would certainly agree, that the statement of the hon. member for Laurier, that only consideration is required for this resolution, has in it a somewhat interesting meaning.

I can quite understand the reference by the hon. member for York West (Mr. Hamilton) to the abdication of our position of responsibility if we are prepared to accept the resolution. I feel that is just what we would be doing, and I noted the rather pious references to political considerations by the hon. member for Laurier when commenting on these suggestions. I would say that the resolution expresses the sentiments of all of us, but in large part sentiments, and not ideas based on hard, sound thinking and constructive practice having regard to the way the resolution is couched at the present time.

The sentiments of our party are, that we could not support the idea of a committee which would take over in a rather vast and amorphous form functions of the house, the special committees, and of the cabinet, and to deal with all the matters that come within the breadth of this omnibus resolution. It has much of interest in it, but, as the Prime Minister (Mr. Diefenbaker) said in speaking of other things the other day, it would make a caricature of parliament if we were to support it at this time.

I was interested in the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles) when introducing the resolution. The debt of all of us in this country to Sir John Alexander Macdonald is one that is well remembered. The hon. member mentioned that the resolution has been on the order paper for the past three or four sessions and quoted certain newspaper articles at some length. For instance, he referred to an article in the Ottawa *Journal* by Mr. Norman Smith in support of his contention that consideration should now be given. But I would draw to the attention of all hon. members that Mr. Norman Smith's article had to do with a plan for Canada's birthday and concerned planning for a specific occasion, for the observation of this anniversary, and not for a vast host of projects which come rightly within the responsibility of the government, the cabinet, and parliament working each day and each year in the next ten years.

That, to my mind, is the obvious and very conclusive difference in our thinking. This great omnibus resolution has tremendous sentimental appeal, but is put in such a manner that we could not possibly agree with it. I would be quite willing to say that we should have the Queen here, which would be a wonderful thing, that we should have the Olympic games, a NATO meeting and music festivals, but these are not the things mentioned in the resolution before us at the moment. The things to which I have referred should be matters for consideration by a definitely established anniversary committee.

The hon. member for Winnipeg North Centre referred to a speech by the former prime minister at Hamilton, Ontario, last March and the somewhat, shall we say, coloured words of the Toronto *Daily Star*. But here again we are dealing with generalities and nothing but generalities and sentiments, which are common, of course, to Canadians

all across the country. Reference was made also to the words of the present Prime Minister in the blue and white election document which we have seen waved in the house from time to time. Surely all Canadians agree that Canada has a great future, but this resolution is not the proper means by which to bring it about. We have seen this fine document put out by our party on many occasions. I believe the hon. member for Westmorland (Mr. Murphy) has read from it from time to time. In view of his dedication to the document and the useful knowledge that he must have gained from reading it, we sometimes wonder why he does not cross the floor of the house. Let us, however, look at the problem in more detail.

Mr. Knowles (Winnipeg North Centre): Have you read it yourself?

Mr. Best: Oh, very much so. The eight weeks that have passed since the historic opening of parliament by Her Majesty the Queen have been most heartening and fruitful. From the wording of the resolution one would perhaps think not.

Mr. Winch: I understand now why it has taken you two months to get to your feet.

Mr. Hamilton (York West): That is uncalled for.

Mr. Best: It seems to me that in the past the hon. member for Vancouver East (Mr. Winch) has said that he is a socialist and therefore, he is practical. I would say, sir, that this resolution is the greatest example of impracticality that I have seen in my short time in the house.

Mr. Winch: I hope you will be here when I speak.

An hon. Member: Sit down.

Mr. Knowles (Winnipeg North Centre): All that is wrong with it is that the Conservatives did not move it.

Mr. Best: Under the leadership of the Prime Minister and the members of his cabinet, we have seen the unveiling of a program of wise and constructive policies long since due. We would hope, Mr. Speaker, that this is only a beginning, that vigorous and far-reaching projects will be planned for the future and that the heavy burdens of cabinet responsibility and administration will not paralyse initiative and vision as they have for so many years past.

Let us look at this resolution in a more specific way. The county of Halton, which I have the honour to represent, is an old and historic riding, unchanged since confederation these last 90 years. Within its boundaries, it contains almost every conceivable variety of occupation and outlook. It is, in many respects, a detailed cross section of eastern Canada. The effects of the St. Lawrence seaway, of the automobile and aircraft industries, of agriculture, of construction, the vast problems of roads and services and above all of education, are brought together and felt more keenly, perhaps, in my riding than in most others.

For many years the population growth of our country, and my riding, for they are identical, has been the largest in Ontario, closely followed by that of Peel, whose hon. member has recently led our NATO delegation to Paris. Together our ridings stretch from Toronto to Hamilton, from the shores of lake Ontario to the higher land miles to the north. Halton is the home of the giant Ford assembly plant, as well as the location of a host of smaller industries; the residence of thousands of workers commuting to the aircraft factories at Malton and the employees in the Hamilton and Toronto areas. Through our lands pass the major arteries of transportation, superhighways and many lines of both major railway companies. The vast and rapid growth of population has brought with it numerous problems of servicing and safety. The extension of postal deliveries and the improvement and gradual elimination of level crossings are matters which demand close attention.

We may be more aware than most of the necessity for change and planning that this resolution indicates. As a matter of fact, I would feel that the greatest anniversary committee—possibly I am prejudiced in this—could be, and will be, the same Conservative government that is sitting here now, giving leadership, unity, ideals and action, as it did 100 years before in the heroic days of Macdonald and Cartier.

If I may be pardoned for a few moments, sir. I have always felt, as I have strolled in the years past and now down that sort of philosopher's walk past the statue of Macdonald, a feeling of reverence and history, and in the light and the glow of that great picture hanging in the west end of this building, the confidence in Canada that must have been his. How came it to such a man, troubled and trialed by personal problems and great burdens, to take into his hands time and time again the task of uniting this far-flung land. We are now dedicated to do the same thing.

The government may be congratulated, I feel, on a return to a policy of national unity. The measures outlined in the throne

speech, and gradually implemented in succeeding weeks convey the sincerity of this approach. I think we can now see that the fascinating array, this furious play within a play from time to time on benches opposite, can be dismissed as mere auditions for a January spectacle. All parts of the country alike must share in the prosperity of Canada, and through a broad and unbiased national outlook this will be achieved. The proposed resolution and suggested committee are in exact agreement with the very things we are at present doing. The very opening day of this session, in the words of Her Majesty, this government gave notice of its intention of correcting much of the economic imbalance inherited from the previous administration. The bill we have passed effecting cash advances for farm-stored grain will go some distance in aiding the static and reduced economy of the prairie farmer. It will affect my county and bring timely employment and increased business right across the nation, but it will take some years to change, in more basic fashion, the neglectful loss of markets and the subsidized competition from neighbour countries we have experienced from time to time.

We know, sir, that bills will soon be brought down to aid the mixed agricultural areas of the east, where the farmer has not yet quite resigned himself to the position of an often forgotten figure. The notice of legislation to ensure permanent floor prices is welcomed indeed, and we know that the details will be rapidly worked out and put into effect. One of the earliest actions of this government was to take steps to regulate the importation of turkeys and fowl from the United States. This measure has been of great value to the poultry industry, and many people engaged in it in my county. Halton lays claim to some of the richest mixed farming land in eastern Canada. Our livestock industry, predominantly dairy, serves millions of people in the nearby urban centres. Choice fruit and market garden land in considerable acreage predominates the southern end of our county. For years, the dumping of United States products has worked great hardship on these people, and it is our sincere hope that some changes will soon be forthcoming. As mentioned in the throne speech, farmers must be assured of a fair share of the national income and means that will be brought about to provide greater price stability are awaited with keen interest.

There is another matter which might be added to the general planning program and policies which the hon. member for Winnipeg North Centre makes in his resolution. In the great meeting place of producers and consumers of agricultural products in the Toronto-Hamilton area, and the counties of Halton and Peel, there has been a long and growing demand for changes in our livestock processing methods. The humane slaughter of food animals has become general in most civilized countries of the world, but Canada and the United States lag far behind. I would call on the federal government at this time, Mr. Speaker, to enact or enforce legislation, to co-operate in every way with the provincial governments whose chief responsibility it is, to remedy this difficult and unnecessary situation. I realize a study of this matter is now taking place, and we can only hope that it will be effective in the near future.

The proposed resolution mentions the need for planning in the fields of conservation, irrigation and power projects. These have long been objectives of the Conservative party as well, and definite steps have been taken to put these plans into practice. It is hoped that the royal commission on energy will give us long-range recommendations for charting our future plans. The announcement of financial assistance for the maritimes through aid for construction of the Beechwood project in New Brunswick, and the intention to proceed as soon as possible, as the Prime Minister has said from time to time, with the Columbia river and South Saskatchewan dam projects, all show the intent and broad planning of this government.

My hon. friend mentioned the need for both federal and provincial representatives on the proposed committee. There has been, perhaps, no more important move of the present government than the calling of the dominion-provincial conference which met just two weeks ago today. There was seen in that two-day meeting I would suggest, sir, under that great map of Canada and that long, greying picture of the fathers of confederation, a spirit of co-operation and mutual interest that had not been displayed for a long, long time. This government listened; it did not tell. This was just the beginning—

Mr. Pickersgill: That is quite true.

Mr. Best: Yes, it listened; it did not tell.

Mr. Pickersgill: No one learned anything.

Mr. Best: This was just the beginning of a fairer and more just plan for each and every province, a beginning of a more unified and unitedly prosperous country. This, then, is the beginning once again, through practical and sensible channels, of the intention and spirit of that part of my hon. friend's resolution. This government, working with the provinces in normal and tested channels, is already carrying out its plans and policies.

The hon. member's resolution mentions the economic development of this country. Throughout the past year, unnecessary hardship has been caused by the so-called tight money policy. This measure brought on supposedly to curb inflation and regulate the rapid expansion of this country almost crushed many sections of our economy and has caused great hardship in my own riding. Almost overnight, the former government restricted and curbed, above all else, small businessmen, an additional burden being added to the already heavy load that these people have shouldered. I am confident that the raising of the lowest tax bracket for small businessmen from 20 to 25 thousand announced by the Minister of Finance last Friday evening, is a step in the right direction, and should greatly encourage the 2,000 odd enterprises which will be affected.

We have noticed in recent weeks that the gradual and general downward trend of interest rates is continuing, and we hope this bill will be even more noticeable in the future. The tight money policy, child as it was of the previous government, has meant a much reduced rate of home building in my riding, tremendous difficulties for our municipalities, and considerable unemployment. Let the hon. gentlemen opposite consider, as they stir their dark cauldrons of fear and foreboding that they spawned these troubles of unemployment, and that the linkage is direct and unmistakable.

The mortgage money made available by our government on two occasions has helped, and will help, the housing situation very considerably. The resolution before us talks of housing and slum clearance, and we intend to go forward and face these problems. The government's decisions to lower down payment requirements on new low cost homes, and ease income restrictions, were indeed wise. We hope that further moves and reorganizations in the field of low cost housing are planned for the future. This will all be part of the national development policy that we have promised the people of this country, and which will bring increased employment and a thorough development of our country's resources by, and for, Canadians. This policy is now beginning to unfold, and makes unnecessary, by its very action and practicability, the intent of the hon. member's resolution.

The social development of Canada, as observed in the resolution before us, is of great importance. Our party believes in social benefits of a just and reasonable nature, and we have taken certain preliminary steps to change and modify our present methods.

Increased pensions for senior citizens will greatly aid our older people a well as their children, who are in many cases responsible for young families, to gain a foothold themselves, and support their parents as well. The reduction of the residence requirement from 20 to 10 years partially removes a serious discrimination against our new Canadians. We have in Halton some 7,000 of these people who have come to Canada in the last few years, bringing with them specialized skills and knowledge, and whose development, in a material sense, has not cost us the inevitable subsidization in education, health and other fields, which most of us have experienced. These measures are a step in the right direction, a prelude to what we hope will be a comprehensive and thorough reassessment of our social security measures.

The increased war veterans allowances are merely the due of men who saved our country in many times past, and a credit to the Canadian Legion, which plays a large and constructive role in our various communities.

The recent difficult and courageous decision by the cabinet to continue the CF-105 production program at Malton has aided the economy of my county a good deal—and I note that sectional economy is mentioned in the resolution. There is every evidence that an extension of conventional aircraft and general military development will be necessary for some years to come. Utterances from Russia, to the effect that missiles will present the only solutions to offensive or defensive operations, are not borne out, even by the Russians themselves. Their large build-up of submarines and other conventional military material indicates a very definite balance or reliance on their part, on both the new strategy of missiles, and the older methods which have been used up to now.

I wonder, from time to time, Mr. Speaker, just why it is that we have not been further ahead in various military fields, and why we should face recurrent and convulsive shocks in our employment and working program at Malton, several thousand of whose workers live in my own county. I hope it will not be written that we were too late, and that the former government's neglect both of diversification in the economic sense and lack of vision in the military field at Malton and its allied industries was a measure of our loss of leadership and freewill.

Possibly, but improbably, Mr. Speaker, the Liberal party opposite is planning a new national development policy in accordance with this resolution. The two chief exponents of that party, one to the left and one to the right, equally placed about their leader, are faring forth these days in search of plunder.

One to the east, and one to the west a curious set of twins, the remnant of the brass put out to grass, and the farther they go, it seems, the greener it gets.

Somewhere along the road, Mr. Speaker, the Liberal party lost its small 'l' liberalism and ended up as a large "L" Liberal shell with nothing much inside. So, Mr. Speaker,—

Mr. Byrne: You haven't done anything.

Mr. Carter: You have read all your speech.

Mr. Best: I should like to refer to this week's issue of *Weekend* magazine, the issue dated November 30, because it contains some interesting questions, and answers by the hon. member for Algoma East (Mr. Pearson).

Mr. Dupuis: Get back to the resolution.

Mr. Best: I see that this article has been read by some hon. members opposite, but it provides some interesting quotations on the history of the Liberal party.

Mr. Winch: Have you been offered the Nobel prize yet?

Mr. Best: Liberalism means, to the hon. member for Algoma East, change, reform, and improvement. These, he says, are the essentials of Liberalism. Again I quote:

> I would like to think that over the years the Liberal party with a capital "L" has been the best embodiment of that liberal philosophy with a small "l".

I would submit, Mr. Speaker,—the hon. member for Bonavista-Twillingate (Mr. Pickersgill) to the contrary—that something must have gone wrong along the road, and that the party with the small "l" liberalism, in its best sense, is the party that represents progress, future and vision in this country, today sitting on your right hand.

Some hon. Members: Hear, hear.

Mr. Pickersgill: Perhaps the hon. member would permit me to ask him a question—

Mr. Hees: Go back to your fish nets. Sit down.

Mr. Pickersgill: —I would like to ask him a question since he has taken—

Mr. Hodgson: This is his first speech, what is wrong with you? Just cannot take it, eh?

Mr. Pickersgill: No, no, but I am just asking if he will permit a question. If the hon. gentleman who is speaking wishes me to sit down I will.

Mr. Best: I will certainly permit a question.

Mr. Pickersgill: I think those of us on this side of the house who have listened with interest to the hon. gentleman's speech upon which I congratulate him—I think he has caught the ear of the house and even my rather deaf ear—but I think most of us would be a great deal more interested in the hon. gentleman's own definition of conservatism than in hearing repeated the excellent definition of liberalism of my colleague from Algoma East.

Mr. Best: I will be delighted, Mr. Speaker, to reply to the hon. gentleman's question. The definition of conservatism, as I see it today, is in the actions and programs that this government in the last five months has brought before this house.

Some hon. Members: Hear, hear.

Mr. Hees: You asked for it. You asked for it.

Mr. Knowles (Winnipeg North Centre): Plus rising unemployment.

An hon. Member: That is all you can talk about.

Mr. Best: That is a problem, definitely a problem and, as I have said, a legacy which comes from the other side of the house. We believe in a just system of social security, of helping people to help themselves, in the form of tax reductions, particularly for those younger families with children and—as we saw the other evening—the aid of small businessmen, and greater unification of all Canada through the encouragement of economic projects in various distressed areas. All this I call economic reform, which is a great and far change from the colourless and inert policies of the previous administration.

Mr. Pickersgill: Just the same policies.

Mr. Best: And let us look at the side other than the economic standpoint. We are a party of reform because we have, and intend to still further, return to the individual in this country those rights and privileges which have gradually slipped away, and to return to parliament, the elected voice of the people, the rights and privileges which have so largely disappeared in the last few years.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Like the right to have a budget.

Mr. Best: I think the hon. gentleman knows quite well what I mean. The record is clear.

Mr. Byrne: It is; it is very clear.

Mr. Best: There is a matter which is a very great problem, and is indeed most serious. This possibly was discussed too much just a week ago, and it has to do with the situation in the automobile industry. We realize the situation is a rather serious one. The Ford Motor Company which has its general assembly plant in my riding in the town

of Oakville has laid off some 2,400 workers, 1,400 of those being employed at the Oakville plant.

Mr. Byrne: Do not say they are laid off; temporarily retired would be a better way of describing them.

Mr. Best: Well, temporarily retired. The hon. gentleman opposite might be in a rather difficult position, and I would suggest that he use some caution in the next few months when he may find himself permanently retired.

Mr. Hees: You have got someone a little bit too tough for you here.

Mr. Best: However, this situation at Ford is somewhat different from the other two automobile companies. Chrysler Corporation and General Motors announced a complete cessation or suspension of production for several days last week due to newspaper reports which were not founded on any official statement whatsoever from this government. The situation is, if my memory serves me correctly, that General Motors shut its whole plant on Monday and Tuesday of last week and Chrysler Corporation on Monday, Tuesday, Wednesday and Thursday of last week and, I believe, for the same four days of this present week. We felt that these two companies were using somewhat of a big stick technique on the present government and this distressed us very considerably. The situation of course at Ford, which has a plant in my own riding, has been somewhat different. Their announcement of a layoff of 2,400 workers was made prior to any problem with respect to this so-called newspaper rumour, and it was, as they had indicated at that time, due to a definite shrinkage in the buying market here in Canada. They have, in my opinion, acted with much more responsibility.

I would say that the measure announced in the cutting of the excise tax the other evening by the hon. the Minister of Finance was a very definite help to the industry. I hope it will be larger in the future, I must admit, but one point I would like to bring out in this chamber is that the announcement of the Minister of National Revenue (Mr Nowlan) just a week ago this Monday night, was an unprecedented step which was most welcome to the whole automobile industry. This government set a new pattern in stating that tax reductions, if they were made, would be reflected by the industry and that the various dealers involved would not be penalized for having purchased new cars before the time of the announcement. That to my mind was a tremendously important step, a wholly new step in the concept of taxation.

Mr. Speaker, may I call it six o'clock at this time?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, the list of improved services mentioned by the hon. member for Winnipeg North Centre (Mr. Knowles) together with his cheerful little quotation from Browning that "the best is yet to be" and the further quotation which I believe originated with the leader of our party to the effect that we should be looking forward to "challenging and adventurous goals"—I think those were his words—have encouraged me to take this opportunity to make one suggestion to the government as an implementation of this resolution. I am sorry that the Minister of Transport (Mr. Hees) is not in his seat at the present time because the suggestion I am about to make concerns his department and a government agency which reports to parliament through him.

My suggestion is that the cattle boat the M/V *Burin* operated by the Canadian National Railways to carry passengers and mail in that section of my riding known as Placentia Bay be replaced by a more suitable vessel somewhat more in keeping with human dignity and the age in which we live. This boat was built as a cargo boat. It has life-saving equipment for only 34 persons and when the number of passengers and crew exceed that total the remainder have to be left behind. There are eight beds on the ship which are usually allocated to women and children and in addition to that there are eight bunks which are allocated to male travellers. The rest of the passengers must sit up and find a place to park themselves wherever they can. In the main this consists of sitting crouched on a narrow bench in the dining room and if that room happens to be filled they must crouch on their luggage in the narrow corridor. Those who cannot find accommodation there have to stand up outside on the deck exposed to the elements. I have personally seen passengers—

Mr. Speaker: Order. I have been looking at the resolution we are debating trying to discover how the hon. member relates his remarks to the establishment of a 100th anniversary committee. I hope he will come to that without too much delay.

Mr. Carter: I am relating it, Mr. Speaker, to a suggested improvement in services. We had a discussion on the St. Lawrence seaway

which is a means of communication and the hon. member for Winnipeg North Centre himself listed a number of services which he would like to see improved. I think he emphasized the fact that in connection with this celebration we should do something more concrete than merely setting off a lot of firecrackers and our efforts should be directed toward and take the form of an improvement in the standard of living, communications and all of the fields affecting our fellow men. It is with that in mind that I present this suggestion to the government at this time.

The hardships which my constituents in this area have to undergo are really indescribable. I have seen people standing up all night exposed to rain and the elements with no shelter whatever. I heard of a man who had to wash his child's face in the morning with a handkerchief dipped in salt water. The accommodation on this ship is really a disgrace not only to the Canadian National Railways but also to this government and to Canada itself. If we are going to make any progress towards improving the service one requirement will be a change in the Canada Shipping Act in order to set up minimum standards of accommodation on ships that carry overnight passengers.

What I have said up to this point is no reflection whatever upon the captain or the crew of that ship. There are no better seamen in the world and it would be difficult to find kindlier individuals. I know from personal experience the tremendous handicaps they have to undergo. I have seen them give up their beds in the night to accommodate women and children who had no other shelter. I have known from personal experience that the captain has not gone to bed from the time he left port on Monday morning until the following Wednesday and I have seen him leave port on Wednesday night and not get to bed again until Friday. There is no ship in the Canadian National Railways service travelling more continuously than the particular ship to which I am referring at this time.

Some time ago I asked a question in this house of the Minister of Transport as to when we might expect some improvement in the service given by this ship and he was good enough to reply some time later that he had discussed the matter with the management of the Canadian National Railways and they were hoping to improve the service in the near future. Shortly after that this old tub ran aground and we hoped this would be the end of her career as a passenger ship but I see from recent press reports that she is now undergoing repairs and the intention is to reinstate her in that service. The continued use of this boat in that particular service is a prime example of man's inhumanity to man.

It has reduced my constituents not to second-class citizens but to tenth-class citizens. Such a service is not given by the Canadian National Railways in any other part of Newfoundland, nor in any other part of Canada. It would not be tolerated in any other part of Canada. I doubt whether there is any service to parallel this one in the degradation of human beings to be found anywhere else in the civilized world. For the past eight years I have protested directly to the Canadian National Railways in the railway committee room and in this house against this discrimination but all to no avail.

I may say, Mr. Speaker, there is no excuse for the Canadian National Railways refusing to improve this service. I have been looking back over the files and I found that as far back as March 30, 1950, when I was a member of the railway committee and a bit of a greenhorn around this place, I submitted a brief to the railway committee which was printed as appendix B, pages 270 to 275, of the proceedings of that day. I should like to read the last paragraph of the statement which preceded the list of questions which I put to the management of the railway. It reads as follows:

> Either the top management of the Canadian National Railways are not sufficiently conversant with the nature of the problems and difficulties and the special requirements that are needed to effect an improvement, or else they are not sufficiently sympathetic. We all know that reorganization and improvement take time, but a year has already passed and the conditions described above have not been alleviated, and it is necessary to start at once in order to achieve improvement in two or three years time. It is for the express purpose of bringing to the attention of the Minister of Transport and the top management of Canadian National Railways the special needs and requirements of our Newfoundland province, as well as to ascertain what progress has already been made in meeting these requirements, that I now table the attached questions.

Then followed the whole list of questions requesting information about the service. Then, again, on April 20, 1951, when I made what was supposed to have been my maiden speech in this house, I touched on the matter again. Hon. members will recall that my first efforts on the floor of this house were in support of my then colleague, Mr. Gordon Higgins, who represented St. John's East, and sat just about in this place on this side at that time. He introduced a bill about turrs, a seabird with which we were concerned at the time, and I rose in my place and supported his request, but that happened to

precede my prepared effort which followed on April 20, and I should like to read now what I said then:

> The urgent need of at least three small passenger and cargo boats is apparent when it is realized that the Canadian National Railways in Newfoundland not only do not have sufficient passenger boats to take care of present traffic, but they have no spare boat in reserve in case of accident or emergency. Should one of the present ships be lost, the whole coastal service would collapse. To make matters worse, one of the ships now in service is over 50 years old and is due to be retired;—

I may say that that ship is not yet retired. She has been taken out of the passenger service and is still being used to carry cargo.

Mr. Stick: It is time she was pensioned.

Mr. Carter: This was a brief warning that I issued about the famous *William Carson*:

> We are all very pleased that a new ferry is being provided for the gulf service, but there is serious doubt of the wisdom of building at this time such a large ship as contemplated, requiring such extensive terminal facilities, harbour installations and improvements. Experienced captains and navigators have expressed serious doubts as to whether such a large ship can be safely manoeuvred during bad weather in the small space available in the terminal port.

This, Mr. Speaker, may be found at page 2236 of *Hansard* of April 20, 1951. Further along I said this:

Mr. Speaker: Order. I do not want to limit unduly any member who wishes to speak on this resolution, and I can see that it is appropriate to refer to matters by way of example; but it seems to me the hon. member is devoting his entire address to one instance. There may be members in the house who want to speak more particularly to the resolution, which, if I may remind the hon. member, provides for consideration of a committee for the purpose of planning the economic and social development of this country on a vast scale. Therefore, while it is appropriate to give illustrations of improvements in transportation, I think the hon. member has gone to the limit on that subject and unless he wants to relate the matter to the committee, I must ask him to give way to members who may wish to speak on the resolution.

Mr. Carter: I want to relate my remarks to the resolution in one respect, Mr. Speaker. My constituents have been victimized for the past eight years and this resolution looks forward 10 years in the future. I am urging the Minister of Transport to take the matter up with the authorities of the Canadian National Railways so that the hardship and indignity of the past eight years will not be extended beyond 1967.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise to support the principle, the purpose and the spirit of this resolution which asks the government to give consideration to this committee with federal and provincial representatives on it, and to planning our development and so on, so that we shall have reached a certain target or objective on the 100th anniversary of the inauguration of confederation. Before going further I must refer to the remarks of the hon. member for Hamilton West who opened the debate on the government side of the house.

An hon. Member: York West.

Mr. Herridge: I am mixing the name of the hon. member with the constituency. It is so easy to get mixed up in that direction. I recall that the hon. member for Winnipeg North Centre (Mr. Knowles) said that he did not want just fireworks and things of that sort at the end of the 100 years; he wanted achievements. So far as the Progressive Conservative party contribution to this debate by the hon. member for York West (Mr. Hamilton) is concerned, he did not start off with fireworks, he started off with a damp squib, and I must say that he entirely overlooked the spirit of the resolution.

The hon. member for Winnipeg North Centre avoided any reference to political parties or how this objective would be achieved. He offered us a broad objective and a target. His remarks were couched in language to which people should respond in a spirit of unity, but the hon. gentleman saw fit to ridicule the resolution which I thought was a very shallow approach to a very serious matter.

The hon. member for Winnipeg North Centre gave credit to the achievements of Sir John A. Macdonald, Sir Wilfrid Laurier and the very well-known late J. S. Woodsworth. He treated them, I think, in a very statesmanlike way. Well, we can well understand government members talking this resolution out and not being willing to support it in full, but I would have expected from the government benches assurance of support in principle and speeches containing suggestions as to the difficulties of doing this or as to the need for amendment, and so on.

But I thought the speech of the hon. member for York West, in response to this appeal from the hon. member for Winnipeg North Centre was rather below his normal average. I heard the hon. member for Halton (Mr. Best) speak for the first time this afternoon. I congratulate him on his facility with language and the ease with which he spoke in the house at this time. I know it is not very easy but the gentlemen of the legal profession usually find it much easier than those who live in some cases in the back woods.

In any event, he said there were deceptive implications in the resolution. I do not know why these suspicions should arise because the resolution is on the highest possible plane, having a noble objective, and I could not understand why he thought there were deceptive implications. Then he said that for the government to accept such a resolution would be an abdication of responsibility. Members on the government side of the house use the word "abdication" as if they had some particular connection with royalty. They are always talking about abdicating this and abdicating that. They are simply government members of the House of Commons and I think they should use language that corresponds with their present importance, which may be much less in a few months.

The point of the resolution is that it asks for a committee to make recommendations over a ten year period with respect to the proposals contained in the resolution. We all know that these recommendations would have to be approved by parliament and by the provincial legislature concerned. But the resolution is a challenging conception. It is an appeal to the imagination. I have always had great admiration for Conservatives as being good, solid citizens.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): They are solid all right.

Mr. Herridge: But I have always noticed that they have a tendency to lack imagination. This afternoon the hon. member for Halton said that the resolution was not a practical one. You know, Mr. Speaker, when the members of this group brought up the question of family allowances it was not a practical suggestion. When they brought up the question of old age pensions it was not practical. When they brought up the question of floor prices and things of that sort, even before the bill was introduced, it was not practical. But the present members on the government side of the house have to some extent learned from experience. After 22 years in the wilderness they realize that they must adjust their thinking to some extent to the thinking of the people as a whole so as a result, shall I say, of their recognition of what the people wish, require and demand they have passed some legislation which we have all been very willing to support. But it is a bits and bobs affair. They always fail to see the need for over-all planning, for an over-all approach, because it requires an imagination that they lack the capacity to exercise.

I must get on, Mr. Speaker, or else I will not be able to proceed very far with my subject, and I am going to relate my remarks very closely to the resolution. The hon. member for Halton said that the resolution was not a practical one. We are the most practical of people. In dealing with this resolution we arranged that different members would speak on different topics, members who can not only talk about their subject but whose life experience qualifies them to speak about it.

If there were time this evening the hon. member for Humboldt-Melfort (Mr. Bryson) would speak about irrigation and water usage because he has spent a lifetime as a farmer concerned with irrigation, the development of water resources and things of that sort. Another hon. member who is a very learned gentleman, a librarian and a sportsman was going to speak on the sports aspect. Another was going to speak on mining because he has worked in the mines. We are all practical people in this group. They were going to take a practical approach in support of an imaginative resolution.

I am going to speak on a subject tonight about which I have some knowledge. I refer to conservation and conservation is one of the major objectives in the resolution. I have spent 50 years in the practice of forest conservation so I want to say a few words in that connection. I hope, Mr. Speaker, that you will not rule me out of order. I saw you looking at me. Anyway, members of the house know that for some years we have been urging the necessity of the federal government taking action by calling a dominion-provincial conference and utilizing the committee that would be formed to develop a national conservation policy for forest, land, soil, water, wild life and so on.

The committee proposed here could undertake the same thing. If it were endorsed by the house and established by the government it would possibly have several subcommittees dealing with various problems but all working toward the one objective. That is why I am going to take this opportunity to suggest that we need dominion-provincial co-operation in the development of a national conservation policy. I continue my advocacy of the necessity of such a policy because many organizations and persons know that action on all levels of government is necessary to prevent the exploitation of natural resources and to establish nationwide methods of use in perpetuity.

I want to say that a future based on exploitation and wasting of natural resources rather than on conservation is the sure road to disaster regardless of how luxuriant our prosperity may be in the meantime. This is one aspect

of the resolution that I do think should receive very serious consideration along with the others by the members on the government side of the house. Action along this line has been taken by people on a voluntary and nationwide basis, and I willingly give full credit to the constructive work of successive federal governments, prodded along by the relatively small number of people in the country who are interested in the conservation of our natural resources, their utilization and their proper development for the future.

I realize that the government has inaugurated taxation policies to this end. Our transportation policy has tended in this direction, particularly with the subsidization of the railroad bridge between east and west through northern Ontario. Then there has been government co-operation by agreement with the provinces for the taking of forest inventories, reforestation and last year fire protection, which is a very important step indeed. We in this group realize the important work done under the Canada Water Conservation Act, the eastern Rockies conservation board, the Prairie Farm Rehabilitation Act, the Maritime Marshland Rehabilitation Act and grants for the control of the spruce budworm in New Brunswick.

We recognize the work done in connection with research into these problems by the agricultural science service, the forest branch, the forest products laboratory, the water resources branch, the bureau of mines and the national research council. We recognize that this total of undertakings by the federal government, in some cases in co-operation with provincial governments, represents a considerable contribution towards the development of conservation of natural resources in this country.

Before proceeding further, I want to pay a tribute to the work that has been undertaken by voluntary organizations in Canada. Once again I pay tribute to the Canadian forestry association which is doing some excellent work with respect to programs for schools, lectures and things of that sort; also the work undertaken by the Canadian forestry institute and the agricultural institute of Canada which has dealt primarily with the conservation of land, soil and water resources; the provincial conservation council of Ontario which has done great work; and the British Columbia natural resources conference which was established in 1948. I was very pleased, Mr. Speaker, to have the opportunity to peruse the ninth report which was published quite recently. I want to quote from that report because it deals with the objectives of that organization which, on a provincial level, is doing great work in this connection.

The British Columbia natural resources conference is an organization representing industry, university, government, both provincial and federal. The conference is concerned with the conservation, from the viewpoint of the full utilization, of all the natural resources of British Columbia. Through its inter-agency membership there is an annual meeting of the conference, the prime purpose of which is to promote integration and co-ordination of resource development in this province.

I want to mention also the work that has been undertaken by the conservation league of B.C., which has been sponsored by the Honourable H. H. Stevens, who was once a cabinet minister in this house, and the work undertaken by the pulp and paper industry in Canada generally, particularly in British Columbia; by groups organized to represent rod and gun clubs, universities and many local groups which have sort of stoked the fires of the provincial and larger organizations. In my opinion, Mr. Speaker, this voluntary association and organization work and activity provides a splendid basis for government and rank and file action on which to build a nation-wide acceptance of the principles of resources development, and a splendid opportunity for a committee such as this to appoint a subcommittee to deal with this particular aspect of this resolution.

Now, there has always been objection to getting dominion-provincial co-operation established perhaps along these lines because there is supposed to be a possible suggestion that there is transgression on provincial rights. We have a conference between Canada and the United States coming up, to which we look forward to reaching an agreement on an equitable basis for the development of the Columbia basin. We are awaiting the minister's announcement with a great deal of interest in connection with these important matters.

Then, there are conferences with other governments with regard to conservation of fisheries which have resulted in some satisfactory treaties. There has been good work in that direction, resulting in co-operation between governments. Then, the minister and the federal officials attend international conferences on resource development and this co-operation has produced excellent results. Yet we often see, even now, members of the federal government protesting that if you try to do anything along these lines in a dominion-provincial conference dealing with this particular subject, this aspect of the resolution, we would be accused of trespassing on provincial jurisdiction and rights.

I noticed that the former minister of northern affairs and national resources attended the 19th North American wild life

conference on March 8, 9 and 10, 1954. He is reported to have said:

> We must work as a team. We shall have to make mutual adjustments to develop mutual strength. We may well have to compromise on practical details in order to establish more firmly our hold on basic principles.
>
> It is an excellent thing that we, who have so many different responsibilities, can meet here to discuss our varied problems in this friendly atmosphere. Each of us aims at the best development of the resources in his own field, and at the same time is prepared to listen to the views of workers in other fields, to examine methods of co-operation, to compromise if necessary, and to work always for the general good and not for sectional advantage.
>
> It is of particularly happy augury that this is, once again, an international conference. In this great central city, we have come together from Mexico and Canada as well as from all quarters of the United States of America for a neighbourly discussion of problems which are not limited by man-made boundaries. Speaking as a Canadian, I deeply appreciate the friendly co-operative spirit of which this gathering is symbolic. I am proud and happy to be able to reaffirm Canada's desire to continue to work with her sister nations of the North American continent for our common welfare and prosperity.

This is a conference dealing with natural resources. We can meet with other nations. The minister and senior officials can attend conferences of that sort and work out programs to the advantage of us all. Yet when something is suggested that will result in a conference of federal-provincial governments we allow provincial objections, on occasion, to limit our actions in this respect.

Then again, in 1955, at the 20th North American wild life conference on March 14, 15 and 16, 1955, the former minister of northern affairs and national resources had this to say:

> Friendly co-operation is, indeed, the keynote of relations between the United States and Canada in all wildlife matters. This conference itself is one illustration of that. In the field, the annual joint survey of breeding waterfowl is perhaps the world's greatest example of regularly repeated scientific teamwork by a large number of experts of two countries.

We want that scientific teamwork to be organized, yet a committee such as this, dealing with our natural resources, between the federal and provincial governments is objected to by some people. In addition to that, Dr. Trueman, the national film commissioner, and other officials attend these conferences on behalf of the federal government. The federal government sends representatives every year to the B.C. natural resources conference. The government calls a dominion-provincial agricultural conference; it calls dominion-provincial conferences on fiscal and taxation matters; dominion-provincial conferences on health insurance, and finally we have the former government recognizing the need for consideration of conservation of our land and water resources by the establishment last session of a Senate committee. This committee is continuing this session its very interesting study of land use in Canada and carrying out that study with commendable vigour.

In a multitude of activities the government has recognized the need for dominion-provincial conferences and co-operation. Regardless of precedent and practice, the need for a dominion-provincial conference to establish principles of conservation, somewhat along the lines suggested by the hon. member for Winnipeg North Centre, goes unrecognized and repeated requests for the same in and outside our parliament are denied. For years this conference has been requested by numerous organizations who recognize its urgency and importance. Such a conference has been requested by the agricultural institute of Canada; the Canadian forestry association and others. I might give a summary of the forestry objectives presented at the resources conference, Ottawa, Friday, April 23, 1954.

> The recommendations of the conference may be summarized briefly as follows:
>
> 1. That a national forest policy be developed and adequate provision made to implement it.

This can only be achieved as a result of co-operation with the provinces. The Canadian Federation of Agriculture, December 3, 1956, passed the following resolution:

> Several times in recent years the C.F.A. has asked that a national conservation policy and program be instituted in this country. In its submission to the royal commission on Canada's economic prospects it said:
>
> "Another matter of great importance to the future of this country is the planned use and conservation of its agricultural resources. At the present time the prairie farm rehabilitation and marshland rehabilitation programs are doing some excellent work along these lines. What is very badly needed is a comprehensive land use classification, and a national program of soil and water conservation and development that would cover all the agricultural area of Canada. Families which are trying to farm land which is declared sub-marginal for farming should be assisted to retire from farming or else be re-located in better farming areas.

If the government would only accept the principle of the resolution moved by the hon. member for Winnipeg North Centre—I am not saying move exactly in the direction of the resolution, but accept the principle, purpose and spirit—when it came time to celebrate the 100th anniversary of confederation we would have a rich and very worthwhile target. Provincial organizations have urged this means. Local organizations still hope for action. Editorials in newspapers and periodicals all across this country emphasize the necessity for action along the lines I have suggested. The need is urgent. The demand

for action by the federal government is increasing on the part of thinking and interested people.

I propose that two courses of action are necessary to meet this problem effectively. First, that the federal government should forge the necessary link in the chain of responsibility by calling a dominion-provincial conference to deal with this question, to deal with the other questions I have mentioned, and to establish nationwide principles of soil, forest and water conservation and management in Canada. Second, the fashioning of common objectives in the application of this principle, such as a land use survey of Canada which would comprise the survey of our wildlife and water resources as a basis for national planning. Such a survey might be of great value in planning future industrial development. We have undertaken surveys such as this in Ceylon and Pakistan under the Colombo plan, and rightly so. Surely we could apply this common-sense approach to the solution of our own problems.

Next I come to development and co-ordination of research. This very important phase of research has been a great deal improved in recent years, but it still lags far behind the research required to make a proper survey of our natural resources possible. Certain research is going on at the present time under federal jurisdiction, particularly with respect to forestry and there is applied research in the province of British Columbia and in some of the other provinces. What is required is the co-ordination of all these activities, because, as indicated in this resolution, we are facing one target. We should have co-ordinated educational programs, and a division of financial responsibility with regard to cost, overall planning to avoid duplication of effort and also the necessary publicity, which is to some extent lacking at the present time and which the former minister of northern affairs and national resources has complained about on a number of occasions. These things are all necessary if we are going to make any definite progress.

My second main proposal is that federal-provincial leadership should be supported by voluntary action in the form of a national conservation league or council. A co-ordination of voluntary effort is as necessary as co-ordination of activities by governments. I believe that government action is much more effective when supported by voluntary action by an informed citizenry. The urge for the wide use of renewable natural resources generated by such a voluntary organization will forge a link between governments and the people. Such a link, as the years go by, will in my opinion, develop into a nationwide, democratic endeavour to repair the ravages of the past, raise the real living standards of the present and protect the rights of generations unborn. The philosophy of life that springs from a reverence for all creations is the foundation upon which all civilization and cultures are built. Also, in this respect, I think we have a great opportunity if we can get this co-ordination between the work of our government and of voluntary groups in this country—an opportunity for persuading our youth of the wonderful opportunity with which we are now presented in the development of our country.

In conclusion, I will say this: in my opinion federal-provincial co-operation and leadership supported by a nationwide voluntary organization opens up a new vista of human relations, in which the differences between government, regions and communities are forgotten and a new fraternity is inspired by a noble objective—the mobilization of all our human resources behind one purpose, namely the wise use of our renewable natural resources in perpetuity.

I have dealt particularly with the conservation aspect of the resolution moved by the hon. member for Winnipeg North Centre. I would ask hon. members to consider the purpose and spirit in which the resolution is moved. These things are not easy. You must have a target; you must have imagination to reach these objectives, and you must do some planning years ahead. In conclusion, I ask for support of this resolution as a worth-while proposal worthy of the consideration of this house, and for action in the days to come.

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I am very glad to have the opportunity of adding a word to this debate. The hon. member for Kootenay West (Mr. Herridge) has suggested that possibly the Conservative members of this house—the members of the Progressive Conservative party—lack imagination. Coming as he does from a beautiful part of the country in southern British Columbia, that land of lovely fruit orchards, deep lakes, beautiful mountains—the land or the great Ogopogo, that dream creature several hundreds of feet long which swims along the beautiful Okanagan lake with its head 20 feet above the water—when he talks to us about imagination we know that we are listening to an expert.

We are accused of approaching this resolution with—how was it said?—a shallow attitude. Of course we must be careful in dealing with resolutions of this length and magnitude to make sure we do not get entangled in its meshes. Therefore I am approaching the resolution with some caution,

trying to protect both flanks. The reader has to go along carefully since there is some imagination used in drawing up the resolution.

In so far as the resolution contains any element of lack of confidence in the present government, I am strongly opposed to it. I do not think it is necessary to set up a committee to usurp the functions of government. We have a wonderful government led by the Prime Minister (Mr. Diefenbaker) who enjoys the confidence of the people of Canada probably to a greater extent than any prime minister has enjoyed the confidence of our people for a long time—

Mr. Byrne: That is a conservation speech.

Mr. Thomas (Middlesex West): —surrounded by a wonderful cabinet, and I should like to express my personal confidence in that government.

Mr. Argue: Afraid of the next nomination?

Mr. Thomas (Middlesex West): And I am sure that this government can undertake the duties of government in as fine a manner and with as great an ability as any commission which could be set up.

However, in so far as this resolution is intended as a genuine contribution to the future planning of our country I would give it at least qualified support. Planning is necessary, whether on an individual level, on a corporate level or at the level of government. We cannot get along without planning and I could conceive circumstances in which were we to have an overall planning commission it could serve as something in the nature of a continuing royal commission, set up at least in part in the same manner, and charged with the responsibilities of inquiring into those different features and aspects and phases of our economy and social life which come up for consideration at frequent intervals.

We have just appointed a royal commission to inquire into our power resources and to make recommendations concerning them and if we had a royal commission or a planning committee set up in the same way to which could be referred questions of all kinds which affect our economy or our social life—not for legislative or administrative action but for review and report—I can see where benefit could be derived for the people of this country.

Now before I get lost here—

Some hon. Members: Oh, oh.

Mr. Argue: No imagination.

Mr. Thomas (Middlesex West): —I know I can get some of our farming problems into this resolution somewhere without being out of order. I would say if we had such a planning committee at the present time to which we could refer such matters as the sugar beet problem which is troubling a great many people in four different areas of Canada it would be a very good thing.

Mr. Byrne: Better talk to your government about that problem.

Mr. Thomas (Middlesex West): These areas include southern Manitoba, southwestern Ontario and southern Alberta in addition to certain parts of the province of Quebec. We import in the form of raw sugar approximately 80 per cent of our requirements in Canada. We produce through our sugar beet industry approximately 18 per cent and the other approximately 2 per cent, during the last three or four years only, has been imported in the form of refined sugar. Now it is that 2 per cent, coming in in the form of refined sugar, which is causing trouble to our sugar beet growers inasmuch as virtually that whole quantity of refined sugar is being imported into the Hamilton area in southwestern Ontario and is being used to undersell our beet sugar produced in the Chatham-Wallaceburg area.

The importation of refined sugar was stopped by the Bennett administration back in 1932, during the depression.

Mr. Byrne: A lot of things were stopped then.

Mr. Thomas (Middlesex West): It did not bother Canada again until 1952. For 20 years the effect of the Bennett action on the sugar question had lasted to the benefit of Canadian producers and then, in 1952, refined sugar began to be imported from Cuba.

Mr. Byrne: Taking candy from the kiddies.

Mr. Thomas (Middlesex West): It was, through negotiation, stopped again and as far as Cuba is concerned is still stopped, but other nations are now beginning to unload, particularly Mexico and some other Central American countries, who are exporting quantities of refined sugar into Canada.

The sugar beet growers are asking for a support price of $14 per ton under sugar and part of the idea behind that request is the feeling that if we had support prices, under the general agreement on tariffs and trade, the Canadian government would then be justified in placing refined sugar on a quota basis and preventing its importation to undercut our sugar beet growers in this country.

Now I may say that the planning committee, if such were set up, could take this whole matter under consideration and would probably agree that the sugar beet industry of Canada was well worth saving. During two world wars this sugar beet industry served a great purpose in Canada but, aside from saving the industry as a possible means of home supply in case of emergency, the sugar beet industry is furnishing jobs to a great many people, especially to new Canadians who, when they are first brought to this country, work in the sugar beet and tobacco fields for a couple of seasons and are thus able to save enough money to make a down payment on a farm of their own.

The sugar beet industry in Ontario and these other areas furnishes large amounts of work for local truckers such as the man who owns his own truck and makes a living by doing local haulage work. There is also a great investment in the sugar refineries themselves and in all the equipment which is used. Furthermore, as far as southern Ontario is concerned, if some inducement were given to the growing of sugar beets, the 20,000 acres now producing crops could, in round figures, be increased to nearly 40,000 acres. That would mean 20,000 acres could be taken out of soybeans and corn and other cash crops which are now in surplus in this country. I should not say that soybeans are in surplus but corn and wheat are presenting some difficulties with respect to prices.

I must not take too long on this topic, but I am sure that a planning committee could also take a good look at the plight of the soybean growers in southwestern Ontario and try to find ways and means of doing something to help the production of soybeans. We now grow about 5 million bushels of soybeans in Canada but we import twice that many, approximately 10 million bushels. Therefore, the 250,000 acres which we use for the production of soybeans in southwestern Ontario could be trebled and again that would take a very great deal of pressure off winter wheat and corn, both of which we have in abundant supply.

Our soybeans have a two cents a pound tariff against them going into the United States. In other words, if we undertake to ship a bushel of soybeans into the United States it would cost $1.20 for the tariff but soybeans are permitted to come from the United States into Canada subject to no duty at all. There is a small amount of duty payable on soybean oil coming from the United States to Canada but there is no duty on soybeans. The suggestion has been made that the tariff should be adjusted to put us on an equal footing with the United States.

Another difficulty in the agricultural picture in southwestern Ontario is the matter of the price of corn. Four years ago the price of corn was approximately $1.75 or $1.80 a bushel. The cost of raising corn has gone up. It costs more today to raise a bushel of corn than it did four years ago but the price of corn has dropped today and the farmers in my area are getting only about 90 cents a bushel, almost half the price corn commanded four years ago.

This illustrates what the farmers of this country are up against. It is admitted that the farmers are having a tough time and I am sure a planning commission could take these matters into consideration and if necessary make recommendations to the government. However, a planning commission is not really necessary in this respect because as is already indicated on the order paper the government within a very few days will bring legislation before parliament seeking to grant relief to the hard-pressed farmers. I am sure it is a matter of joy and pride to every hon. member of this house that we have a government which has the interests of the farmers so much at heart.

Mr. Castleden: There is no resolution yet.

Mr. Argue: Six weeks too late.

Mr. Thomas (Middlesex West): Dealing further with the matter of a planning commission, although I do not come from southern British Columbia or even from Winnipeg North Centre, I can still use my imagination as to what such a body could accomplish.

Mr. Fisher: What about tobacco?

Mr. Thomas (Middlesex West): All joking aside, this country is faced with many problems that require a great deal of thought and study. I am reminded of the time about 25 years ago when Canada faced a great crisis in the form of the depression. At that time we were also blessed with a government with great vision and imagination and the best of intentions.

Some hon. Members: Oh, oh.

Mr. Thomas (Middlesex West): Some of our friends laugh but I will deal with them in a moment. I wish now to remind hon. members of some of the good planning that was done by the Conservative government of that day. It brought in the Natural Products Marketing Act. That act is the basis of most of our provincial legislation today dealing with the marketing of farm products. That act was passed in 1934. The Farmers' Creditors Arrangement Act was also passed which helped the hard-pressed farmers out of the difficulties in which they found themselves at that

time. It was a bankruptcy act passed for the benefit of farmers and incidentally it was the only one of all the Bennett new deal legislation that stood under the scrutiny of the privy council. The government of that day also passed the Employment and Social Security Act, the Fair Wages and Hours of Labour Act—

An hon. Member: The Bennett buggy act.

Mr. Thomas (Middlesex West): —and the Minimum Wages Act. When some of our friends in other parties undertake to tell us that all the credit for these various pieces of legislation should go to other parties and that we are only building on the foundation previously laid by them, let me remind hon. members that the foundation for all these acts was laid back in the early thirties. Although they lay dormant for many years and were revived by the late Liberal government the fact remains that the foundation for these acts was laid by a Conservative government even before the Conservatives were "progressive".

In 1935 the Conservative government passed an act much like the one envisaged and advocated by our friend the hon. member for Winnipeg North Centre (Mr. Knowles), an act to establish an economic council being chapter 19 of the Statutes of Canada, 1935. This reads:

> His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:
>
> (1) This act may be cited as the Economic Council of Canada Act, 1935.

After setting out definitions in section 2 the act provides.

> (3) There shall be an honorary advisory council on social and economic questions which shall be known as the economic council of Canada.
>
> (4) (1) The council shall consist of the minister, who shall be the chairman, and 15 members who shall be appointed by the governor in council.
>
> (2) The members of the council shall be selected from,
>
> (a) officers of the public service of Canada, not exceeding seven in number, whose administrative duties require consideration of social or economic problems;
>
> (b) representatives of organized bodies of a social or economic character, not exceeding five in number;
>
> (c) other persons having special experience or knowledge in connection with social or economic problems not exceeding three in number.

Section 5 (1) provides:

> The dominion statistician shall be the secretary of the council.

The duties of the council are enumerated in section 6 which reads:

> The duties of the council shall be to discharge such duties of an advisory character as the chairman may request them to undertake and particularly, without limiting the generality of the foregoing,
>
> (a) to study, investigate, report and advise upon questions relating to the general trend of social or economic conditions or to any social or economic problem of Canada, and to authorize the investigations in that behalf as hereinafter provided;
>
> (b) to make recommendations to promote and co-ordinate social and economic research within Canada;
>
> (c) to make recommendations to co-ordinate the activities of a social or economic character of the several departments of the government of Canada;
>
> (d) to make recommendations as to the organization of statistics as the basic data required for social and economic investigations;
>
> (e) to publish such reports and findings as may be considered to be in the public interest.

I feel I have quoted enough to demonstrate that the heart of the Conservative government has always been in the right place in terms of the forward look in matters affecting administration of the affairs of the country. I do not suggest that this form of organization is what is required today. As a matter of fact I do not think it is. If an advisory council were set up I think it should be something like a royal commission. Rather than the Prime Minister serving as chairman it should have a judge as its chairman, one who would be entirely independent of political pressure. I can visualize much good that would be accomplished by such a council if it were composed of members who carried sufficient prestige in the country that their opinions would be accepted by a large segment of the population.

I am going to tie it to only one idea at this moment.

Let us consider the problem of inflation today. There might be some argument as to what inflation is, but I think most will agree on a general definition. We know that our dollar today has the purchasing power of approximately 49 cents in relation to living costs just at the close of the last war, or up to 1939, at any rate. We know that, and we can agree that inflation has taken place. From all inquiries I have been able to make and from all reading that I have been able to do I find that we are now subject to what is called creeping inflation. I am going to be careful here. Some are inclined to lay the blame for this creeping inflation at the door of labour; others blame the tycoons of finance.

Mr. McCullough: You are very close.

Mr. Thomas (Middlesex West): But wherever we lay the blame we are inclined to look upon it as it affects ourselves. It is like a story I heard. Are we allowed to tell stories here?

Mr. Fulton: It depends on what kind they are.

Mr. Thomas (Middlesex West): It reminds me of an Irishman and his friend. They

were talking about socialism. Pat said to Mike: "Explain this socialism". Mike said: "Well, we share everything equally". Pat said: "Fine. You mean if you have $100, you would give me $50?" Mike said: "Yes". Pat said: "If you had $50, would you give me $25?" Mike said: "That is right." Pat said: "If you had $10, would you give me $5?" Mike said: "Oh, go on, you know I have $10". Therefore, we are inclined to look at income tax and at other economic matters from our own particular point of view and we like to keep our sharing just above what we have but to take in what the other fellow has.

In this country we have no standard; we have no body to tell us what an hour of labour is worth, or what a bushel of wheat is worth, or what any other commodity is worth. I think it is generally admitted that the law of supply and demand is too harsh an arbiter of the matter of prices. For instance, if we were to allow our labour market rates to be controlled by the law of supply and demand it would mean that every so often we would have to allow somebody to suffer privation or starve so as to force people to work and force wages down. We are past that in this country. If we are to wait for the law of supply and demand to weed out all of the inefficient farmers and put individual farmers off the land so that there would be no surplus of food we would reach the point some day where there would not be enough food to go around and then the price of food would go up, all right, but our last state would be worse than our first. I say that the law of supply and demand is too harsh an arbiter.

If we had a planning commission or a royal commission with sufficient prestige—I emphasize that—so that the labour unions would be willing to pay attention if the commission said that an hour of labour in Canada should be worth so and so and on the basis of the value of that hour of labour a bushel of wheat should carry a value of about so much, or a bushel of corn, or a bushel of soybeans or a gas stove or an automobile, it might be something. If we had some authority to set objectives that we could aim at, it might give us a little bit of an anchor in time of storm or it might serve as a helm to guide our ship of state.

I am sure the hon. member for Winnipeg North Centre would agree that that is imaginative enough.

Mr. Cardiff: He is full of imagination.

Mr. Thomas (Middlesex West): It is a subject that could stand investigation and honest consideration.

Mr. F. C. Christian (Okanagan Boundary): Mr. Speaker, I should like to speak in support of this resolution. I think it is important that in the setting up of a committee of the character mentioned in the resolution there be on it men who have vision and experience and men who are also practical and who are capable of doing good planning. I think one criticism of a lot of our public bodies and governments in the country today is that they cannot see sufficiently far ahead in the economic and social development of the country. In other words, many of our governing bodies in Canada have a shortsighted policy.

This particular resolution has a lot of merit in it, but I cannot necessarily agree with planning for only 10 years. I believe that in planning in our country we should give consideration to planning for many years ahead. What I am particularly concerned about is one very important aspect of public works. One that should be pursued with vigour is the development of breakwaters in some parts of our country. There should be an over-all development of Canada as far as possible. One part of the country should not be favoured over some other part of it.

I should like to refer particularly to the breakwater situation in the Okanagan valley. The hon. member for Middlesex West (Mr. Thomas) referred to the Ogopogo land from which hailed the hon. member for Kootenay West (Mr. Herridge). I should like to say that that particular area is the area which I represent. It is a great tourist area and is gradually becoming more important all the time.

As hon. members are well aware, British Columbia is one of the finest and one of the richest provinces in Canada. The Okanagan lake is approximately 65 miles or so long and is situated in the central southern part of British Columbia. As that province becomes developed as the years go by the workers of British Columbia are going to need a place where they can go for a holiday and very little expense will be required to get there. It is a tourist area which can play a great part in helping to develop our own people and keep them healthy.

The Okanagan valley is known to be the playground of the province of British Columbia at the present time. I have brought this to the attention of our own government. What is needed is consideration given to the establishment of more breakwaters in the Okanagan lake. For example, in the Okanagan valley the province of British Columbia has developed a campsite on the side of the lake. I have not seen a finer

campsite anywhere I have travelled and I have travelled quite extensively. On the side of the hill they have approximately 250 campsites laid out and ready for people to camp for the night when they come to that place. The government of British Columbia has done a great deal for people who do not have too much money and has assisted them to have an enjoyable holiday. The development there cost a considerable amount of money. As the province is developing and as the Okanagan valley is becoming a great tourist area something should be done to assist in building breakwaters in that particular area.

Past federal governments have accepted responsibility for the construction of breakwaters. There is one at Kelowna, one at Naramata and one at Penticton. The breakwater at Penticton needs a certain amount of work done on it. At Summerland there is no breakwater at all and since the government has established already a policy of constructing breakwaters it seems to me that one should be provided for the municipality of Summerland. The former member for Okanagan Boundary fought very hard to try to get a breakwater for the municipality. The battle has been going on since 1946, and I hope the Conservative government does not wait 22 years to build a breakwater in that particular area.

The municipal council and the board of trade have been doing what they can to have a breakwater built. Actually there is an economic necessity for it. At the present time there are no facilities whatsoever for small craft or for launching. I urge the minister to do what he can in that connection. Certainly if this committee is set up it should pursue vigorously a policy of establishing breakwaters wherever necessary throughout the Dominion of Canada.

I wish next to deal with the matter of irrigation districts. On December 4 I had occasion to speak in the house in this connection with reference to the Prairie Farm Rehabilitation Act. In the province of British Columbia, and no doubt throughout other parts of Canada, we have irrigation districts. In the Okanagan valley where I reside many orchardists are having an exceedingly difficult time to sell their products. This year there are many thousands of boxes of apples that cannot be sold. The irrigation districts are being pressed very hard financially. For example, in the Kaleden area a survey has been made and it is going to cost approximately $151,000 to rebuild their irrigation system. That money is required over the next ten years.

[Mr. Christian.]

Furthermore, I should like to point out that the income to the district from tolls and taxes does not meet the annual expenses in respect to the orchard lands. Hon. members can see the difficulty that many of the farmers in the Okanagan valley are having at the present time.

Naramata has a scheme to provide for the rehabilitation of the irrigation and domestic water system. It is a $300,000 project and the federal government does not assume any responsibility whatsoever in connection with the rehabilitation of that system. The result is that a small irrigation district has to assume responsibility for $100,000 out of the total amount of $300,000 and the British Columbia government has already assumed responsibility for paying the remaining $200,000. Personally I think it is unfair that the province of British Columbia should have to assume payment of the $200,000. I think there should be participation in an equitable way by the federal government towards the cost of that work. This is another matter that the present government does not do anything about. It is a matter to which this committee could give consideration.

I should like to deal with the important question of housing. I know one particular municipality in British Columbia that has a problem with respect to building a boarding house under the National Housing Act. They wish to sponsor the construction of a home for elder citizens but under the National Housing Act they are not able to do so at the present time. The municipality wishes to provide accommodation in the building for 24 persons in eight double rooms and eight single rooms. The financial history of the municipality is good. Its sinking fund is ahead of schedule and its bylaw payments have been made.

Apparently the existing situation under the National Housing Act is that a limited dividend company has the privilege of going ahead and constructing hostels and boarding houses but that right is being denied at the present time to municipalities, particularly in the province of British Columbia. I believe that at the present time limited dividend companies put up 10 per cent of the total amount of money required, the province of British Columbia puts up one-third and the balance of approximately 56⅔ per cent is supplied under the National Housing Act.

For the information of the appropriate minister I should like to read certain remarks made by the reeve of the municipality of Summerland. In a letter to me he says:

—when a municipal corporation wishes to undertake the construction of a boarding home type of senior citizen housing . . . it should be entitled

to the same treatment as a limited dividend company organized from local people to provide low rental housing.

I mention this matter because it is something that should come under the heading of planning by an appropriate committee. So far as our elder citizens are concerned, consideration should be given to municipalities in the construction of boarding homes. Furthermore, if the government does not act in the matter, I think this committee could give consideration to the making of loans to municipalities throughout Canada. Under the Municipal Improvements Assistance Act it is impossible at the present time for municipalities to obtain moneys for necessary work. I should like to read to the house a few remarks made by the reeve of the municipality of Summerland in his letter to me. He says:

> Numerous efforts have been made by the Canadian federation of mayors and municipalities to have the Municipal Improvements Assistance Act unfrozen and a larger fund made available. When money was available from this act, in the late 1930's Summerland borrowed nearly a quarter of a million at 2 per cent which was used to instal the cast iron domestic water system. This has been a tremendous help to the district. We do not expect to borrow money at 2 per cent if this act is unfrozen but we would expect to be able to borrow money at close to the rate that the federal government can borrow money.

As far as I am concerned, if this committee should be set up I think it should be a very impartial and capable committee as far as possible. On that committee there should be men who have vision and intelligence and who can pursue a proper policy in the development of this nation. We have many problems that need attention and I should like to endorse the resolution.

(Translation):

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, I have no intention of speaking at any length, I only wish to make a few brief remarks on the resolution now under consideration. I wish first of all to congratulate the hon. member for Winnipeg North Centre (Mr. Knowles) for putting that resolution on the order paper. He deserves credit for being interested in preparing public opinion to celebrate worthily the 100th anniversary of this Canadian confederation of ours. I have no intention of opposing the motion.

Mr. Knowles (Winnipeg North Centre): Hear! hear!

Mr. Gauthier (Portneuf): However, I believe that his motion should have inspired speeches of a far more serious nature than those I have heard here this afternoon, which were almost exclusively of a political nature. I have no intention of following suit. In any event the only impression that has remained with me after hearing these speeches on such a worthy resolution is that which reminded me of an old song which I used to enjoy playing on my phonograph: "I am forever blowing bubbles".

The proposed resolution reads as follows:

> That in the opinion of this house . . .

Mr. Speaker, intending to speak French I wish to point out that it is regrettable that we do not yet have a system of simultaneous interpretation. However, and I speak most sincerely when I say this, I hope that under your chairmanship the committee which has been entrusted with the study of this matter will progress in such a way that, when the time comes to celebrate the anniversary of the Canadian confederation, we will be in a position to say that simultaneous translation, as set up in the House of Commons, is one way to celebrate this anniversary, to strengthen national unity and to say to the whole world that because of the growing interest shown by hon. members in learning another language than their own, whatever it be, confederation has not been a failure but, on the contrary, has served to bring closer together those who speak the two principal languages of this country.

Unquestionably, to make anything firmer, stronger, it must first be understood and the road to good understanding between the various races that make up the Canadian nation lies in the direction of a proper understanding of each other's language. When people understand each other's language, they get along well.

And now, coming back to the proposed resolution, here is how it reads:

> That, in the opinion of this house, the government should give consideration to the advisability of the establishment of the 100th anniversary committee, with provision for federal and provincial representation—

I heartily endorse the wording of the beginning of this resolution.

> —for the purpose of planning the economic and social development of this country on a vast scale—

Mr. Speaker, in an economy such as ours and at the rate Canada has been developing, can this development be speeded up even more by the establishment of even larger undertakings, and even faster economic development than that which Canada has known for years under all governments? I said I would not indulge in petty politics in the course of my remarks.

I realize that often one has to leave the country, visit other countries, and meet with

the nationals of other countries,—I use this word "nationals" in the true sense of the word, meaning the inhabitants of other countries,—that one has only to meet people outside our country to see how much our country is envied.

Whether one travels in Europe, Asia, Africa or in the United States, one realizes that Canada is the cynosure of all eyes; everyone wonders why this country has such a buoyant economy, and is progressing so fast with its vast development programs.

I can very well remember that, during the African tour of the Commonwealth Parliamentary Association, we were often asked: "Well, tell us about the Ungava mines, about the St. Lawrence seaway". We also were asked, at that time: "Tell us about your Prime Minister". You could sense how interested those people were in Canada's economic position, and in Canada's spectacular progress in the last few years.

Therefore, Mr. Speaker, I think that, in view of our still flourishing economy, we will have no difficulty in bringing our people fittingly to celebrate the 100th birthday of the Canadian Confederation, but the motion concludes as follows:

> . . . so that . . . the people of Canada will be in a position to celebrate this nation's 100th birthday not only with fireworks and speeches, but by the achievement of a land of health and abundance for all our people.

I very well understand what the hon. member had in mind. I am quite familiar with his political philosophy, and, indeed, I may tell him that all hon. members of this house and, in fact, all Canadians, want health and abundance for all our people.

Nevertheless, Mr. Speaker, I believe that, to strengthen our system, and to develop our Canadian confederation, there are not only the physical factors of health and abundance to be considered; there are also spiritual factors, the heart and the soul. All this must frequently be expressed by speeches, more so by examples, and above all, I think, by sacrifice. Recently the whole world was surprised to learn that the Russians had managed to shoot a satellite towards the moon and stars, and that it kept circling around the earth for several days. While I am of course in no position to say that the Russians must have made several attempts before they succeeded in launching it, I do think I can say that that must have been the case and that there should be no cause for undue concern on the part of the Western nations.

Where the democracies were at fault was in talking too much about their own satellite before making a successful launching.

I have spoken, Mr. Speaker, about sacrifices; there is no doubt that these people are making tremendous sacrifices, whether voluntary or not. I believe that a country such as ours which has been created and developed by the devotion and sacrifices of its inhabitants must accomplish still more, in order to be better able to wage a victorious struggle against those who undertake or accept sacrifices to crush other nations. We must avoid any action which might divide us.

I therefore believe, Mr. Speaker, that the best way to nobly celebrate the anniversary of the Canadian nation is to continue to make sacrifices and at the same time to provide well-being and plenty for all; we should not, however, forget the intellectual well-being of our fellow citizens. We should stop our criticisms when we know that our governments are taking action to develop the arts in this country. I remember,—and I am not concerned with any electoral motives at the moment,—that when the Canada Council was instituted, there were rather strong criticisms. Nevertheless, I believe that the council came at the right time, that it was necessary because it happens very often,—more often than we seem to think,—that our artists are among our best ambassadors in foreign countries. We must therefore help them; we must find and develop new talents in order to train artists who do not copy others but are typically Canadian in the expression of their arts. I am sure, Mr. Speaker, that we can develop something much better than futurism or some other modern art which is so difficult to understand that the artists themselves have to explain their own works to the layman. I have no doubt that the Canada Council will bring encouragement and precious assistance to our artists, and this will help the country to celebrate the anniversary of the Canadian confederation in a fitting manner.

Now, before celebrating confederation, we should begin by amending ourselves. I think we should get rid of a certain regional turn of mind which too often exists in some of our people. We have created a confederation, and we have a central power over the ten provinces. This reminds me of the story of Menenius Agrippa who saved Rome.

The young people were dissatisfied with the administration of ancient Rome and they had gone, by the thousands, to live on a hill nearby; they refused to do any work and to contribute their spirit of enterprise and neophyte zeal to the good administration of Rome. Menenius Agrippa told these young people about the legend of the limbs revolting against the stomach.

Well, Mr. Speaker, it often happens that certain members of the Canadian confederation are inclined, not to revolt perhaps, but to indulge in severe criticism which is liable to weaken the central power, in other words, the stomach of our confederation. It is for this reason that I say we should get rid of a certain regional turn of mind, which is based on a shaky principle.

I also remember, because of a certain analogy, the story of Cato the Censor. Whenever he spoke in the forum he invariably ended his speeches by these words: "Hoc censeo", meaning I so decide and "delenda est Carthago", meaning, Carthage must be destroyed. So, I believe that we should avoid adopting the spirit of Cato the Censor and strive to keep the stomach of the nation, the central power, solid and strong, without giving up the idea that we must preserve the strength of the provinces. However, there must be a certain equilibrium. I believe that if the members refuse to supply the Canadian stomach with the required food, the stomach will not be able to distribute what is required for the strength of the limbs and the limbs will find themselves in a dire predicament. They will be weakened because of the loss of strength of the stomach.

Mr. Speaker, the central government must be maintained. We should not try to destroy it by accusing it of overly centralizing tendencies and by repeating statements which sound like medicine taken out of a drawer, not only in the federal field, but in the provincial field as well. We should get rid of that parochial mentality which weakens and hurts us, not only at home but abroad.

We should get rid of that parochial outlook, not only so that we will be able to celebrate in a glorious fashion this confederation centennial, but also to maintain our association in strength and hardiness until the end of time.

Mr. Speaker, there are many other things which could maintain the strength of confederation. Among other things, the satisfaction from the intellectual and sentimental point of view as well as from the point of view of the soul of its inhabitants. The Canadian nation is made up of many races whose number will increase. The more they learn to understand one another the more they shall agree among themselves and the more they understand one another the stronger will that community become. Each one of the races which make up the Canadian community has its traditions which must be safeguarded, which must be maintained so that each may remain strong and preserve its identity.

In the province of Quebec, we have traditions which unfortunately we often neglect. I heard some one the other day speak about men meeting for combined work to help out a neighbour making a "bee". Well, that is a tradition that we French Canadians must preserve. There is also the "guignolée", a group of people who go out to collect donations. And I come finally to the tradition which is perhaps the most significant, the oldest, and in any case the holiest of all, that of the paternal blessing on New Year's day. If I mention that one, it is because I feel that the house might very well be sitting until New Year's eve. The families of the province of Quebec wish to maintain this tradition and are looking forward to receiving the paternal blessing; so, how will they react to the absence of the father at the time of this most important ceremony which we are anxious to maintain among French Canadian families?

There is some reason for concern, for us and certainly also for our people. I do not want to criticize at this time, but I hope that we French Canadians may again this year go home and give our blessing to our children, as has been the custom of our forefathers since Canada has been Canada.

I shall stop now, Mr. Speaker. Other hon. members may want to speak now. I wanted to strike another note in discussing the motion of the hon. member for Winnipeg North Centre, whom I shall commend again. I wanted to strike another note, because I thought the motion was much more serious. If we go on at the present speed with our industrial, labour, agricultural and professional improvements, there might be no reason for accelerating. However, I believe we should call our people's attention to the intellectual, spiritual and moral aspects of the matter. The more we strengthen our confederation, the stronger we shall be to fight any outside enemy.

We must also keep on making sacrifices and show devotion to duty, in order to be stronger intellectually and morally.

I am sure that everything that has been done until today—and I refer in particular to our Canada Council—is bound to instil in our people a genuinely Canadian character,

to stimulate our artists, those whom I have called our ambassadors a moment ago, and to help our people realize that the best way of celebrating the Canadian confederation is to prefer one's intellectual development to one's material well-being.

(*Text*):

Mr. Robert Simpson (Churchill): Mr. Speaker, in discussing the aspects of the resolution which is presently before the house I should like to point out first of all that if this resolution had suggested that a committee be set up, possibly on a federal-provincial basis, specifically to plan the 100th anniversary celebrations then I would say it would certainly be worthy of support. However, it seems to me that although it appears to have the welfare of the nation at heart it is taking away most of the obligations of the hon. members of this house. I feel that we are asking the people of Canada to pay with a good deal of duplication, for something for which, I believe, they are already paying; something which they are entitled to get and for which they are at present receiving value.

Now in dealing with the following subjects I might point out that most of these problems and subjects under discussion in this resolution have already been studied and are continuously being studied by many competent committees and groups. I also think the resolution which is before us might well be construed as a measure of no confidence in most of the groups already so established. By that I mean that we have many groups in operation, independent of government, in the way of agricultural and labour organizations, chambers of commerce and many others.

Hon. members of this house from various parties of the opposition have stated that they are in full support of this resolution as it stands; they are quite willing to set up committees despite the fact, as I have already pointed out, in my opinion such committees are now in operation and they are competent committees.

I think that in the short space of time—in fact a period of less than six months—in which this government has been in office and the period of less than two months in which this house has been in session the present government has shown ample evidence and has proved conclusively that they are, not only eager and able to deal with these recognized groups who are doing such a good job in their various localities but are also capable of sitting down and discussing with those groups their problems and bringing such problems to a successful conclusion.

In regard to agriculture, for instance, we have many capable groups working on this important question. I say important because up until now and I imagine for all time to come agriculture has been and will be, rightly so, the backbone of our nation. But what has happened to agriculture during the past few years? Agriculture has been allowed to go down to a point where the farm family is fast becoming a rarity. Families are leaving the farm areas because of today's high cost of production; due entirely to the high cost of equipment as compared to the inequitable returns to the farmer for his products; the slow process of selling his grain, plus of course the tight money situation faced until a short time ago. The farmer is unable to keep his head above water.

Now these remarks apply generally to agricultural people all across Canada but are particularly applicable to the young farmer—the type of a farmer who, until now, I have not heard mentioned in this house—and the young farmer certainly has a multitude of problems. In many many cases he returned from overseas at the conclusion of the last world conflict and had very little opportunity to get himself re-established in time to avail himself of any of the benefits from the short period of boom which agriculture may have enjoyed during the latter 1940's. Consequently he found himself sadly trapped in the terrible cost-price squeeze which has since developed.

This was one time when the old maxim of there being safety in numbers certainly did not apply, because there was small consolation to such a young farmer in the fact that he had lots of company. He had his land and he had some equipment, both partially paid for, and he could produce crops because most of them were good farmers and willing to work. He could not however pay his debts with farm-stored grain. Later on, measures were introduced whereby he was allowed to borrow money on his farm-stored grain at 5 per cent interest, so he found himself paying that 5 per cent interest and at the same time earning about 2 per cent interest or less on his capital investment.

So what did the young farmer do? In many cases he found himself in the position where, if he was fortunate enough to find employment elsewhere, he went into industry and was better off financially by investing only his physical and mental capacity in that industry as against a fairly large monetary investment in agriculture. He had more cash by working with his two hands than he could possibly get with all his land and equipment, but he did not want to be in

industry. He wanted to be a farmer and Canada indeed needed him in agriculture.

Now this situation was brought to the attention of the former government, but nothing was done about it. Solutions to these problems are going to take time, I know, but I am very happy to see that a full review of the agricultural problems and the tight money situation is now in progress with a view to solving them as quickly and fairly as possible in order to give the farmer his fair share of the national revenue.

There are many aspects relating to agriculture with which I hope to be able to deal as they come before the house, but I see time is getting short this evening. I would like to say that, come July 1, 1967, I sincerely hope through the efforts of this government that this great country of ours will be in the enviable position of being justifiably proud of the fact that all our citizens will have available to them, not only a high standard of living which will include social security, hospital and medical services, a housing program, which will allow the people the benefits of the housing to which they are entitled and of which the people of Canada can be proud, but also an employment situation which will provide full-scale employment for every employable person in our dominion.

May I call it ten o'clock.

Business of the House

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the house leader what is the business for tomorrow?

Mr. Green: Tomorrow we shall have a supply motion and then the resolution which is No. 147 on today's order paper with respect to a measure to establish a system of guaranteed prices for certain agricultural commodities, followed by the amendments to the Excise Tax Act and the Income Tax Act. When we get through with those, we will take the bill which is No. 136 on today's order paper dealing with the Canadian and British Insurance Companies Act and then the resolution on Beechwood.

Mr. Chevrier: I commend the leader for his optimism. Is he in a position to say what will take place on Wednesday?

Mr. Green: I think we will be continuing in that order on Wednesday.

Mr. Chevrier: May I ask an additional question, Mr. Speaker. In view of the remarks made by the hon. member for Portneuf (Mr. Gauthier) can the leader give us assurance that we will not sit on the day before and the day after New Year's?

Mr. Green: I cannot give any such assurance, Mr. Speaker.

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:

NARCOTIC DRUG CONVICTIONS

Question No. 165—**Mr. Howard:**

1. What is the present inmate population in each of the penal institutions operated under the jurisdiction of the federal government, and, how many of the present inmates in each of the said institutions: (a) were convicted of the offence of the possession of narcotics in pursuance of the Opium and Narcotic Drug Act; (b) were convicted of the offence of trafficking pursuant to the said act; (c) are known to have a record of drug addiction?

2. Of those inmates who were convicted of offences under the Opium and Narcotic Drug Act, how many are under sentence for: (a) first time; (b) second time; (c) third time; (d) fourth time; (e) fifth time; (f) sixth time or more?

Answer by: **Hon. E. D. Fulton (Minister of Justice):**

1. (a), (b) and (c):

Institution	Population as on Oct. 31, 1957	(a)	(b)	(c)
Dorchester	559	3	3	10
Federal training centre	329	0	0	0
St. Vincent de Paul	1118	10	7	22
Kingston (males) (incl. Joyceville)	924	42	33	59
(females)	79	33	22	53
Collin's Bay	426	1	1	1
Manitoba	384	17	6	28
Saskatchewan ...	550	17	5	14
British Columbia .	677	108	76	174
Newfoundland	33	0	0	0
Total	5079	231	153	361

2. (a) First time in penitentiary 228; (b) second time in penitentiary 81; (c) third time in penitentiary 31; (d) fourth time in penitentiary 9; (e) fifth time in penitentiary 5; (f) sixth time or more in penitentiary 1.

LOW COST HOUSING—LUMBERMEN'S BRIEF

Question No. 236—**Mr. Robichaud:**

1. Has the Minister of Public Works received a brief submitted by the national retail lumbermen's council of Canada suggesting certain amendments to the regulations or requirements of Central Mortgage and Housing Corporation having to do with the construction of low cost houses?

2. If so, what actions have been taken by Central Mortgage and Housing Corporation to implement the recommendations or suggestions contained in the said brief?

Answer by: **Hon. Howard C. Green (Minister of Public Works):**

1. Yes.

2. The brief submitted by the national retail lumbermen's council of Canada offered four proposals relating to the financing of low cost housing. Three of these proposals conform with the corporation's present lending policy and the suggested techniques are now used where circumstances are appropriate. The fourth proposal would involve a new principle generally known as the open end mortgage. This technique has been tried outside of Canada and has not met with any degree of success. The proposal would require an amendment to the National Housing Act, 1954, and possible amendments to provincial legislation. The type of mortgage proposed involves the approval of a higher loan than that required during the first construction stage. This technique is difficult of implementation because lenders are reluctant to make future commitments at current interest rates. The open end mortgage technique has been considered, and is still being studied.

CENTRAL MORTGAGE AND HOUSING CORPORATION

Question No. 251—**Mr. Holowach:**

1. Since its inception, what moneys have been borrowed or appropriated for the operation of the Central Mortgage and Housing Corporation?

2. Has the corporation repaid any of these amounts?

3. If so, to what source and how much in (a) principal; (b) interest?

4. What were administrative expenditures of Central Mortgage and Housing Corporation since its period of operation?

5. Are operational costs borne by insurance premiums on loans?

6. What were the total of mortgage loans approved (a) by provinces; (b) in Vancouver, Calgary, Edmonton, Regina, Winnipeg, Toronto, Montreal, Ottawa?

7. Were grants made to any of the above cities for housing development? If so, in which city and in what amount?

8. What construction of dwelling units were completed during 1954, 1955, 1956 and to date in 1957?

9. What reserves and cash assets have piled up during years of operation?

10. How many Central Mortgage and Housing Corporation insured mortgages have been foreclosed?

11. What were combined losses on these foreclosures (a) homes; (b) rentals?

Answer by: **Hon. Howard C. Green (Minister of Public Works):**

1. Since its inception, January 1, 1946, to November 30, 1957, Central Mortgage and Housing Corporation has borrowed the following amounts from the government of Canada, under statutory or parliamentary appropriations.

For lending under the housing acts section 22, C.M.H.C. act	$431,000,000.00
For the construction of federal-provincial housing and land assembly projects, section 36, N.H.A. 54	46,500,000.00
For the construction of housing projects for veterans and others, section 37, N.H.A. 54	175,000,000.00
Total	$652,500,000.00

2. Of these amounts the corporation has repaid .... $ 94,905,517.43
The unpaid balance is secured by C.M.H.C. debentures maturing at various future dates.

3. The following amounts of principal and interest have been paid to the Receiver General of Canada.

	Principal	Interest
Section 22	$ 15,000,000.00	$ 69,036,019.33
Section 36	5,728,698.83	3,969,210.62
Section 37	74,176,818.60	18,291,962.17
	$ 94,905,517.43	$ 91,297,192.12

4. Administration expenditures of C.M.H.C. from January 1, 1946, to October 31, 1957, amounted to ..... $ 62,529,928.60

5. Operational costs are not borne by insurance premiums on loans. Such premiums are paid into the mortgage insurance fund in accordance with section 10 of the National Housing Act, 1954.

6. (a) Mortgage loans approved under the housing acts—January 1, 1946-September 30, 1957:

	Loans	Units	Amount
Newfoundland	1,055	1,087	$ 10,532,318.
Prince Edward Island	195	228	1,658,901.
Nova Scotia	4,210	5,630	42,110,262.
New Brunswick	3,188	3,625	28,051,170.
Quebec	52,141	86,031	622,852,749.
Ontario	152,523	182,965	1,542,621,881.
Manitoba	18,088	21,060	156,535,010.
Saskatchewan	6,993	8,941	73,220,730.
Alberta	38,125	44,138	344,034,369.
British Columbia	28,958	33,956	263,145,552.
Northwest Territories	9	9	69,000.
Yukon	3	3	28,000.
Total	305,488	387,673	$3,084,859,942.

Figures for mortgage loans approved from October 1 to November 15, 1957, are available by regional totals only:

	Loans	Units	Amount
Atlantic region	267	322	$ 2,982,735.
Quebec region	1,859	2,553	24,895,549.
Ontario region	6,372	7,659	78,192,905.
Prairie region	2,246	2,488	24,558,170.
British Columbia region	736	936	9,217,482.
Total	11,480	13,958	$139,846,841.

(b) Mortgage loans approved under the housing acts—January 1, 1946-November 15, 1957.

	Loans	Units	Amount
Vancouver	20,303	23,796	$180,730,507
Calgary	15,285	16,994	136,904,191
Edmonton	18,488	22,479	175,113,629
Regina	3,134	3,941	32,938,061
Winnipeg	17,300	20,294	151,558,451
Toronto	56,525	75,513	659,739,127
Montreal	35,837	65,986	466,087,590
Ottawa	11,836	17,351	149,096,884
Total	178,708	246,354	$1,952,168,440

7. There are no general statutory provisions for grants to municipalities directly for the development of housing. However the following grants have been made in related fields:

Grants approved under section 23, NHA for urban redevelopment

Toronto	$3,201,937.00
Montreal	$2,467,587.50

Grants approved under section 33 (1) (h), NHA for urban renewal studies

Vancouver	$20,000
Regina	$23,000
Winnipeg	$14,350
Toronto	$18,000

8. Housing units completed

	Total	Under N.H.A.	Other
1954	101,965	39,137	62,828
1955	127,929	58,852	69,077
1956	135,700	61,959	73,741
1957 (Jan.-Sept.)	78,824	23,009	55,815

Questions

9. Central Mortgage and Housing Corporation has accumulated the maximum reserve of $5,000,000 as authorized by section 30 of the Central Mortgage and Housing Corporation Act. No cash other than that which is required for current operations is held by Central Mortgage and Housing Corporation. The requirements in this respect approximate $2,000,000, which amount is distributed amongst all disbursing offices of the corporation. This amount varies according to circumstances and is part of the $5,000,000 quoted above.

10. Foreclosures of insured mortgage loans fall into two categories:

(a) Cases where the lender elects to claim on the insurance fund;

(b) Cases where the lender makes no claim on the fund and elects to retain the foreclosed property.

As at December 1, 1957, there have been—
6 foreclosures of category (a).

As at December 31, 1956, there have been—
2 foreclosures of category (b).

In addition, Central Mortgage and Housing Corporation has knowledge of 3 foreclosures in 1957, not yet classified as (a) or (b), but this figure may be increased when the final reports are received from lenders, effective December 31, 1957.

11. (a) Of the 6 properties acquired by the insurance fund, 3 have been sold and 3 available for sale. There have been no actual losses in connection with insured mortgages which have been foreclosed to date in respect of which claims have been made against the insurance fund, but as the 3 sold have been sold on instalment payment plans, the question of whether there will be an eventual profit or loss cannot be determined at this time.

(b) For the remaining cases, those where the lender elected to retain the properties, the lenders are not required to furnish details of profits and losses on property sales.

There have been no foreclosures of rental property.

TRANS-CANADA HIGHWAY, FREDERICTON-MCKINLEY FERRY, N.B.

Question No. 261—**Mr. Stuart (Charlotte):**

1. What is the federal government's share of the cost of that part of the trans-Canada highway from Fredericton to McKinley ferry (7.7 miles)?
2. Has the full amount been paid? If not, what part of the cost is still outstanding?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Only 5.55 miles of this section of highway have been incorporated in the trans-Canada highway to date. The amount of Canada's contribution (on a 50/50 basis) to the cost of construction on the incorporated section, Kelly creek to McKinley ferry, is estimated at $760,000.

2. No. Until the province prepares and submits a final claim on a completed project, the actual cost of construction is not known. However, the amount paid to date to the province on claims submitted totals $525,150.95.

WOLSELEY, SASK.—LAND FOR FEDERAL BUILDING

Question No. 272—**Mr. Argue:**

1. How much was paid for the land on which a federal building was recently constructed at Wolseley, Saskatchewan?
2. To whom was the money paid, and on what date?
3. What was the assessed value for taxation purposes of the above land at the time of purchase?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. $4,000.
2. G. E. B. Lewthwaite on November 22, 1956.
3. $1,990.

TRANS-CANADA HIGHWAY, P.E.I.

Question No. 277—**Mr. Kirk:**

1. What are the termini of the trans-Canada highway in Prince Edward Island?
2. What is the mileage between these two points?
3. How many miles have already been paved?
4. When is it expected that the pavement will be completed?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Wood Island ferry, the terminal of the Prince Edward Island-Nova Scotia ferry and the town of Borden, the Prince Edward Island terminal of the ferry system to Cape Tormentine, N.B.

2. 73.08 miles. Of this mileage 1.25 miles through the city of Charlottetown has not been incorporated in the trans-Canada highway.

3. Contracts covering 69.79 miles of paving have been awarded to date, of which 67.35 miles have been completed.

4. It is expected that all paving, with the possible exception of the approaches to the Hillsborough bridge will be completed in 1958.

END OF VOLUME II